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S. HRG. 100-782

LOWER MISSISSIPPI DELTA DEVELOPMENT ACT

JOINT HEARING

BEFORE THE

COMMITTEES ON ENVIRONMENT AND PUBLIC WORKS AND SMALL BUSINESS UNITED STATES SENATE

ONE HUNDREDTH CONGRESS

SECOND SESSION

ON

S. 2246

A BILL TO ESTABLISH THE LOWER MISSISSIPPI DELTA DEVELOPMENT COMMISSION

JUNE 28, 1988

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LOWER MISSISSIPPI DELTA DEVELOPMENT ACT

TUESDAY, JUNE 28, 1988

U.S. SENATE,
COMMITTEES ON ENVIRONMENT AND
PUBLIC WORKS AND SMALL BUSINESS,
Washington, DC.

The Committees met, pursuant to notice, at 9:20 a.m., in room 406, Dirksen Senate Office Building, Hon. Quentin N. Burdick (chairman of the Committee on Environment and Public Works) presiding.

Present: Senators Burdick, Bumpers, Breaux, Bond, Danforth, Simon, and Sasser.

OPENING STATEMENT OF HON. QUENTIN N. BURDICK, U.S. SENATOR FROM THE STATE OF NORTH DAKOTA

Senator BURDICK. This morning the Committee on Environment and Public Works and the Committee on Small Business meet to receive testimony on S. 2246, legislation which would establish the Lower Mississippi Delta Development Commission.

I wish to compliment Senators Bumpers, Breaux, and the other cosponsors of S. 2246, which constitutes an innovative approach to the long-standing and persistent economic and social problems of this area.

Rather than simply throwing money at these problems, this legislation provides for a one-year effort to coordinate available Federal, State, and local assistance. It does not create a new Federal bureaucracy.

In the years I have been a member of this committee, I and my predecessors, especially former Senators Jennings Randolph and Howard Baker, have striven to alleviate economic distress across the country. Many of our efforts have been successful, particularly through the development programs of the Appalachian Regional Commission and the Economic Development Administration.

But the battle is by no means won, as is well demonstrated in the Mississippi Delta Region. This area ranks lowest in the United States in nearly every economic and social indicator.

I am pleased to be present at the beginning of this joint hearing, and I welcome Chairman Dale Bumpers and other colleagues of the Small Business Committee. Unfortunately, I must leave to attend another meeting. I will relinquish my Chair to Senator John Breaux, who is a very effective member of this committee. I will be

depending on him to help fashion legislation which will best serve the needs of the Delta States.

In closing, I wish to state my support for S. 2246, and my intention to report it from the Committee on Environment and Public Works as soon as its contents are agreed upon by the two committees.

Senator Bumpers, would you like to make a statement at this time?

OPENING STATEMENT OF HON. DALE BUMPERS, U.S. SENATOR FROM THE STATE OF ARKANSAS

Senator BUMPERS. Mr. Chairman, thank you very much.

First, as Chairman of the Small Business Committee, I especially welcome this opportunity to cochair this joint hearing on S. 2246, the Lower Mississippi River Delta Development Act, a bill which I believe will be the first step in the economic development of the most disadvantaged region of the United States. The legislation is my number one priority for this Congress, and I especially want to thank you, Mr. Chairman, for your very gracious cooperation on this important effort. I look forward to the enactment of the bill, which has been cosponsored and is vigorously supported by all 14 Senators of the seven affected States, as well as, I believe, every Governor of the seven States.

Located along one of the great rivers of the world, and including some of its finest farmland, this region has long surpassed every region in the Country in terms of measurable poverty, numbers of poor counties, low per capita income, and unemployment. According to the Congressional Research Service, there are only three counties in the entire Delta Region that are not well below the national average.

Our bill simply says that there will be nine members of a commission, one to be appointed by each Governor, the SBA Administrator, and one to be appointed by the President. And this commission will have a life no longer than two years, will conduct hearings and meetings in each State, and take testimony on the problems of the region and possible solutions.

Mr. Chairman, one hundred and thirty-eight years ago Daniel Webster said, "Ere long the strength of America will be in the Valley of the Mississippi." There is strength in the Mississippi Valley, strength in families, in their character, in hope, and in our institutions. But Daniel Webster's prophecy about the region's economic strength has not come true. The economic problems of the region are immense. Let me quote one very recent report prepared by Jan Christopher of the Congressional Research Service, entitled, The Economic Health of the Lower Mississippi River Valley:

> The States of the Lower Mississippi River Valley Region have a higher percentage of families, households, and individuals in poverty than any other section of the United States, despite major efforts to alleviate poverty.

In short, there's more economic misery in the Mississippi Delta than any region of the United States.

Tunica County, Mississippi, for example, the epicenter of the crisis area, is located on the Banks of the Mississippi, just south of Memphis. It is the poorest county in the Country with 52.9 percent

of its population living in poverty. The per capita income is a mere $6,643, 48 percent below the national average. In my home State, Lee County, just across the river from Tunica County, has a lower per capita income at only $6,452, with 44.3 percent of the population living in poverty. The unemployment rate in that same Lee County, Arkansas is a staggering 23.4 percent, but more incredibly the unemployment rate in adjoining St. Francis County is 29.9 percent, more than four times the national average.

Let me just provide a few more statistics. The poorest State in the Union has consistently been Mississippi, with Arkansas and Louisiana not far behind. One family in five in Mississippi lives in poverty, twice the national average. The region has been the lowest in disposable per capita income. According to the most recent data, Mississippi ranked 50th, Arkansas 47th, Kentucky 43, Tennessee 41st, and Louisiana 40th. Virtually every county in the region has an unemployment rate above the national average, and as I said, many counties have rates that are a whopping three to four times the national average.

Despite herculean efforts of State and local officials, the region ranks lowest in almost every education statistic. Since 1900 Louisiana and Mississippi have consistently ranked first and second in illiteracy, and Arkansas has ranked in the bottom ten. Louisiana, Mississippi, Tennessee and Kentucky are all in the worst 20 States in terms of public school drop out rates, with rates in excess of 30 percent. Five States in the region spend less than $2,700 annually per pupil in public schools. Arkansas ranks 45th in spending per pupil; Tennessee 46th; Kentucky 48th, and Mississippi ranks last.

I might say, Mr. Chairman, it is most painful for me to publicly recite these staggering statistics, but like alcoholics we cannot deal with the problem unless we face up to it, and in order to face up to it, we have to recite these statistics.

With respect to health, Mississippi and Arkansas had the dubious distinction of ranking one and two in teenage pregnancy rates in 1985. And even though they are trying valiantly, under the leadership of Governor and Mrs. Clinton, to reverse the trend, the States of Louisiana, Arkansas and Mississippi ranked in the lowest one-fifth of all States in their 1985 infant mortality rates with rates far in excess of the shameful national average of 10.6 deaths per 1,000 live births.

So, the Senators from these seven States have come to the Senate with legislation designed to begin the economic development of this region. It is a modest approach. Again, the bill creates a commission to study the problems and report to Congress with specific recommendations. Instead of proposing a comprehensive Federal solution, we're asking the people of the region to come before the commission and give their ideas for solutions to the region's problems. We want the proposed solutions to be initiated by the people that are affected in the area.

The bill will provide the initial vehicle by which the eleven million citizens of the region will be able to share in the development opportunities long available to those in every other region of the Country. Even since I was elected Governor of my State in 1970, I have worked diligently to assist in the economic development of Eastern Arkansas, the Delta area. It's a concern that followed me

to the Senate, and I am proud that I have 13 years in this body pursuing effective relief and assistance that will be permanent and beneficial to the constituents in that area.

But the assistance I have rendered has been necessarily limited in scope. What is needed is a program that looks at the big picture, a realization that coordinating rural economic development of the Lower Mississippi River Delta Region is needed not just the comparatively uncoordinated assistance that's been provided by all Representatives and Senators representing the Delta. A program of greater vision is needed. The entire River area is a distinct region that shares strong cultural, social and economic ties. Its proximity to the Mississippi River, and the opportunities associated with this location, make it feasible and necessary that this area be treated as the unique region it is.

Rural economic development isn't just agriculture that can be adequately addressed by changing farm policy, though certainly farm policy plays a big role. Nor is this type of development program likely to be implemented, or effective, if it becomes just a big-ticket, pork-barrel bill that creates new bureaucracies and attempts to funnel massive amounts of Federal dollars into the region. This is not my objective, nor is it the desire of the concerned, active citizens of the region. It may be that some new and cost effective programs will be necessary, but what we need first is the effective coordination of Federal, State and local assistance in the areas of education, housing, health, tourism, recreation, natural resource development, small business development, industrial development, capital availability, power availability, and infrastructure development. Ultimately the reliance of citizens in this region on much-needed and appreciated Federal entitlements and anti-poverty assistance will be dramatically reduced, jobs will be created, tax revenues will be increased, and economic prosperity, hopefully, will abound. It's a tall order, but it can happen if we're willing to take the risk necessary to make our dream become a reality.

It is a shame that this region borders the Nation's greatest single natural resource, the Mississippi River, and yet has been largely unable to develop an economy that makes maximum use of this resource. Something is amiss in this region, because it is obvious that Federal, State, and local anti-poverty programs have not been effective in addressing the causes of eliminating the pervasive poverty in this seven-State area. In many ways, this delta region has third-world status, economically speaking, but it is the home of some of the finest, friendliest, hardest-working, most caring people I know, and they deserve more than a benevolent nod or a passive handout.

The form of direct Federal assistance that is sure to prove to be the most cost-effective will be in the area of infrastructure development—a delta parkway system, adequate river crossings, slack water and fast water harbor facilities, convenient and sufficient secondary roads, sewer and water projects, and other development that will allow the citizens of this area to be economically integrated with the rest of the Nation's economy. Advances in education, housing, and health will also greatly benefit this region that suffers under serious burdens that can't be eliminated overnight.

Regional cooperation will be essential to help insure cost-effective assistance, and cooperation with State and local government, other funding sources, and private institutions.

I have many ideas on what is needed for the development of this area, But I have purposefully refrained from incorporating my agenda in this bill so as not to pre-judge or pre-determine the important work of this commission. Finally, any development program must take into account that government can't offer all the solutions or assistance—private investment, initiative, and creativity must be cultivated and rewarded.

I would like to close by stating that none of us have all the answers for rural economic development. I hope that Congress, the administration, the States, and local governments will borrow successful ideas like those implemented by the Appalachian Regional Commission, and incorporate innovative ideas that will be offered by the citizens of the Region—the people who will ultimately determine whether any program is a success or failure.

I urge the Committee on Environment and Public Works to act quickly on this measure. This is a vitally important bill. The good people of the Mississippi delta desperately need our help.

Thank you, Mr. Chairman.

Senator BURDICK. Senator Breaux.

OPENING STATEMENT OF HON. JOHN B. BREAUX, U.S. SENATOR FROM THE STATE OF LOUISIANA

Senator BREAUX. Thank you, Mr. Chairman.

I look forward to the hearings. Thank you for calling them at the Full Committee level. We have a distinguished group of witnesses, including governors, and members of the Congress, as well as people who live in the area and deal with the problems on a day-to-day basis who are going to present their testimony. I look forward to hearing it.

It's no secret, as Senator Bumpers has very adequately and correctly, and eloquently pointed out, that the Lower Mississippi River Valley is the poorest, the most undeveloped region in the United States. It's ranking lowest in almost every economic and every social indicator that anyone has ever dreamed of. The statistics are not very pretty. As I said, when the bill was introduced, economically this region of the Country is almost always first in those things that are bad, and last in those things that are good. The region has the largest number of the poorest counties, and it's the highest in percentage of families receiving public assistance anywhere in the United States. It's the lowest in per capita income. It's above the National Average in unemployment. My own State of Louisiana is the highest in unemployment in the Nation. The area is the highest in infant mortality. It's the lowest savings deposits anywhere in the Nation, just to name a few.

It's simply un-American to have areas in this Country where over 40 percent of the people live in poverty. For these people, their American dream is really a nightmare. It's been a nightmare of going to sleep at night hungry. It's been a nightmare of being sick without adequate treatment. It's been a nightmare of receiving inferior education.

The news is not all bad, however. The region is located on the banks of one of the world's greatest rivers complete with some of the richest farmlands and blessed with tremendous natural resources. The area has the talent, the resources and the will of the people to do better, and to significantly improve the quality of their lives. It's a matter, Mr. Chairman, of us doing our homework of better coordinating the opportunities that this area does not now receive. The commission would serve as an excellent base to accomplish this goal. This legislation provides the hope for an area that has been without hope for far too long.

The program that Senator Bumpers has presented to this committee and to the Senate, involves a three-pronged approach, as it should be, involving the Federal Government, but it's not just a Federal problem; involving the State government, but it's not just a State problem. It also involves the local officials and local government. Working together I am hopeful that this type of legislation can make the American dream real for these people in this part of our Country, as well as the rest of our Nation.

Thank you, Mr. Chairman.

Senator BURDICK. It's a pleasure to have with us today Senator Danforth. Senator?

OPENING STATEMENT OF HON. JOHN C. DANFORTH, U.S. SENATOR FROM THE STATE OF MISSOURI

Senator DANFORTH. Mr. Chairman, thank you very much.

I am here to vouch for one of the witnesses who will be appearing before the committee, Mary Doggett from Sikeston, Missouri.

Mr. Chairman, clearly, the economic condition of the Lower Mississippi River Valley deserves the attention of those of us in Washington. I am delighted that you are giving it that attention at this hearing, and that this legislation is now before the Congress. However, it is clear that the future of the Lower Mississippi River Valley must draw upon the experience and the skills of those who live in it, those who know it, those who understand it.

I am especially pleased that, at this hearing, the committee is going to receive the testimony of Mary Doggett. When those of us who are in public life think about the outstanding citizens of our State, the people who really do the great work of public spirited participation, the name of Mary Doggett comes immediately to our minds.

I remember back, I guess seven years ago, when the Reagan Administration first came into office, and I had the responsibility of nominating candidates for the Federal Judiciary and for U.S. Attorney, and U.S. Marshal. I set up, at that time, a commission of citizens to recommend names for those positions. On one of the very first such commissions that I set up, Mary Doggett was asked to serve, because instantly when you think about people who are good citizens of our State she is one who is truly admirable.

She has served on the City Council of her home community of Sikeston, Missouri. She's also served as the Mayor of Sikeston. She is a specialist in economic development. If anyone knows the subject of economic development, if anyone knows the subject of the Lower Mississippi River Valley, it is Mary Doggett. And I am de-

lighted to vouch for her, and join my colleague, Senator Bond, in presenting her to this committee.

Senator BURDICK. We're pleased also to have with us today Senator Bond. Senator?

OPENING STATEMENT OF HON. CHRISTOPHER S. BOND, U.S. SENATOR FROM THE STATE OF MISSOURI

Senator BOND. Thank you very much, Mr. Chairman. I'm pleased to be here as a cosponsor of S. 2246, as well as a member of the Small Business Committee, and grateful to be able to participate in this joint hearing with you and your committee.

As we've already described several times, this measure does create a commission which has a very important responsibility. And that is to study the problems of economic stagnation which persist in significant segments of the Lower Mississippi Delta area, and to devise a strategy which will involve not just the Federal Government, certainly, but State and local governments in dealing with these challenges and these opportunities. This is a land which is rich in soil. It is populated with good people, but it has, for some reason, lagged behind in many other areas of this country. It should not be that difficult, if we can work together to create a sound plan which will deal with these problems.

Rewriting the economic script, though, is not an easy one. This is a difficult challenge at best. And many of us have worked on it for a long time, but I'm convinced that we can come up with sound measures involving all levels of government, plus the private sector, to deal with the problems of education and health care, as well as the very important problem of adequate investment in capital resources to provide the jobs and economic growth, and opportunity that we need.

I commend the original sponsor, Senator Bumpers, for requiring that the members of the commission shall be appointed by governors of their respective States. As a former governor, as is Senator Bumpers and his colleague, Senator Pryor from Arkansas, I believe strongly that the success of the commission's work will be commensurate with the working relationship it achieves with the States and with local governments. The local governments, and the States, are on the front line. I participated just this past week in a panel with Governor Clinton of Arkansas, talking about rural economic development. This is something very much on the minds of the States today. And this commission should give us an opportunity to assure that we have coordinated plans in this area that need special attention.

The commission's mandate ties in well with the issue of rural development, which we're working on currently in Congress. The Senate Agriculture Committee has been deeply involved in discussions of rural development, and I have attempted to make the point that rural development must proceed in cooperation with the States and not outside the States.

And finally, Mr. Chairman, as Senator Danforth has already said, I'd like to note today that our Missouri witness, Mary Doggett is very well qualified to speak on this matter. We are pleased to have her as a representative of local government, one who works

very closely with the State, and is one whom both Senator Danforth and I count as a valued friend and advisor.

I'm pleased to participate in this hearing. Thank you, sir.

Senator BURDICK. This morning, the witnesses will be appearing in panels, and our first panel will consist of the Honorable Thad Cochran, United States Senator, the Honorable Beryl Anthony, Jr., Fourth District, Arkansas, U.S. House of Representatives, and the Honorable Mike Espy, Second District, Mississippi, U.S. House of Representatives.

Gentlemen, welcome to the committee.

STATEMENT OF HON. THAD COCHRAN, U.S. SENATOR FROM THE STATE OF MISSISSIPPI

Senator COCHRAN. Thank you very much, Mr. Chairman.

Mr. Chairman, I applaud the Committees on Small Business and Environment and Public Works for convening this hearing on the Lower Mississippi Development Act. As a cosponsor of the bill, I'm glad to see the Senate taking action on the problems of this area of our Country which need immediate help from the Federal Government.

What you will hear today are disturbing facts about the most underdeveloped and poorest region of the United States. The facts are well known. The challenges confronting this region are very great.

What we want right now is a survey of the needs of this seven State area and an overall plan for growth and development that specifically considers our local conditions and interests.

The Delta Commission created by this bill represents an important step toward finding solutions to the complex problems that affect our area.

This area has a wealth of natural and human resources that are not being utilized to their fullest potential. With the help of the Delta Commission, job opportunities can be enlarged for the people of the Lower Mississippi Valley. Access to health care can be improved. Education and training can be upgraded and targeted to those with special needs.

Mississippians interested in the revitalization of our rural communities have all emphasized the need for a Federal policy on rural development that takes into account the problems of these communities, leading to a firm commitment to change. This commission will be the first major effort with the responsibility of developing this strategy.

The Lower Mississippi Development Act will complement and enhance local and State government efforts through the region-wide study and planning that are necessary.

I hope you will help ensure that this bill is promptly reported to the Senate and passed.

Mr. Chairman, I also would like to ask that a statement prepared by William Ferris, who is Director of the Center for the Study of Southern Culture, at the University of Mississippi be included at the appropriate place in the hearing record.

Senator BURDICK. Without objection, it will be received. (See p. 157.)

Senator COCHRAN. I thank the Chairman.

Senator BURDICK. Congressman Espy.

STATEMENT OF THE HON. MIKE ESPY, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MISSISSIPPI

Mr. ESPY. Good morning, Mr. Chairman, and to the other distinguished members of this panel.

I'm very pleased and honored to be with you here this morning to talk about Senate Bill 2246, otherwise known as the Lower Mississippi Delta Development Commission bill. I'm very familiar with this bill, having introduced its companion bill in the House with my good friend and delegation colleague, Chairman of the Appropriations Committee, Chairman Jamie Whitten. I'm proud of this bill and believe that the time is right and ripe for its consideration and passage.

Mr. Chairman, I'd like to begin very briefly by talking about the Second Congressional District of Mississippi, the District that does include Tunica, Mississippi, as Senator Bumpers alluded to, the poorest county, and poorest town in America. Mr. Chairman, I feel that my district is fully reflective of the seven-State region that will be the focus of the Delta Commission's one-year study. If the U.S. Census Bureau data identifies my 22 county district as the third poorest in the Nation, and Mississippi as the poorest State in the Nation, further analysis of our sister States in the region certainly indicates that we do not only share common borders, but we are also bound tightly by our common burdens. Poverty, per capita income, health, education, unemployment and housing pose ever present problems which are stigmatizing in their long-term effects. By any of these indicators, the region proposed for study by the commission has the dubious distinction of being the worst in the Nation.

As our Nation watches more than five million children growing up in poverty, in Mississippi, we see two out of every five children born into families living below the poverty level. Fifty percent of all Black children are born into poverty. In my district, 42 percent of the citizens live below the poverty level, and about 30 percent of my constituents make no more in America in 1988 than $5,000 per year.

The basic elements of human character and decency become twisted and violated as the persistence of poverty and economic blight ravages young minds and bodies. Mr. Chairman, educational achievement has been the way out of poverty and bitter despair for many historically disadvantaged groups, but we are now faced with a deepening problem of school dropouts. In Mississippi, records show that 45 percent of the people over age 25 have less than a high school education. In my district, about 40 percent of those over 25 have a high school education. Times have changed. Forty or fifty years ago, we all worked the land, and it could be argued that little formal education was needed. But Mississippi now realizes that the lack of education for its citizens has held it back. For me and for many of the State's leadership, education has gained a lofty spot in the high priority as an integral part of restoring Mississippi's regional, national and international competitiveness. It is also our responsibility to help the private sector create jobs for our

educated young people. Mr. Chairman, it is saddening to see many of the bright minds leave our State because we lack job opportunities.

The most touching and pleading of all statistics I will recite are those of infant mortality. We all recognize the link between good nutrition and health care for an expecting mother and the benefits and advantages it will give her newborn, but somehow we have not committed the resources that would save this Nation inestimable sums. Recent statistics for my Congressional district from the Mississippi State Department of Health indicates that one in every 71 babies will not live to have their first birthday. Among black babies the statistics indicate that one out of every 59 will die before reaching its first birthday. Too many of those babies that do live struggle with chronic illnesses that are costly, and sadly, could have been prevented.

These problems are simple in their identity and very complex in their resolution; they are personal in nature, and social in their collective impact. I believe we can foster a climate that will strengthen the social fabric of the communities affected by these problems, and restore the hope of people with very little and their confidence in a government that notes that their "general welfare" really isn't too good. We can make great strides in this direction by combining our good sense, our resources, our regional commonalities, and our compassion, Mr. Chairman.

I know about the blight of the district that I've talked about and of the Mississippi River Delta, having been born and raised in Yazoo City, Mississippi. I have noted what seems to be a never ending story of poverty. In 1987, for every one dollar Mississippi sent to the United States Treasury, it received $1.34, most of which was in the form of public assistance and transfer payments. This fact should be compelling enough to convince the rest of America, and the rest of our colleagues certainly in the House and over here in the Senate, that by helping the Delta Region, they are helping themselves and lightening their burden.

I have also traveled to other areas of our Nation where there has been suffering much like that in the Lower Mississippi Delta Region, and they now enjoy tremendous progress. The 13-State Appalachian Region was opened to the rest of the United States beginning in 1964 by a program of foresight and ambition, the Appalachian Regional Commission. An extensive infrastructural program of highways and bridges, and programs for recreation, education, childcare, health care, economic development, housing and water and sewer projects lifted the region from abject poverty. An example of Federal leadership, resources, and committed presence in helping to strengthen the general welfare of an entire region.

I wholeheartedly concur with the wisdom of this bill, S. 2246, in calling for a $3 million study on the problems, needs and the scope of any Federal action to address these problems. Mr. Chairman, some might ask at the conclusion of the one-year study, "What has been the benefit to this region?" To answer this would really to be predetermine the findings and suggestions of the study, but I feel that because of the problems of the Lower Mississippi Delta are so multitudinous, and the resources that would be directed at these problems are so precious, only the most foolish policy maker would

not study this matter. Proceeding without a study or plan, but with an understanding of the magnitude of the specific problems within the Lower Delta Region, could leave the Executive Branch without priorities or guidance.

Mr. Chairman, the time has come for the Lower Mississippi Delta to join the rest of the Nation in the areas of education, public health, economic growth, income and employment, and housing. The point is not that the time has arrived, the fact of the matter is that the time has passed, and the Lower Mississippi Delta is waiting for us. Mississippi, Louisiana, Arkansas, western Tennessee, western Kentucky, southeastern Missouri, and southern Illinois need to see the leadership that they expect from their Federal Government.

In closing, Mr. Chairman, I've often illustrated my vision of America by depicting it as a mighty chain of States. Each State representing one link in that chain. The chain is only as strong as the weakest link, and when possible those weak links are fortified and strengthened. That is what I see in this bill. We as a Nation, realizing that there are weaknesses in our collective chain, direct our precious and limited resources to those links thereby ensuring that the general welfare of the entire chain is preserved. Mr. Chairman, in a democracy, the stronger the chain, the safer the towing.

Thank you, Mr. Chairman.

Senator BURDICK. Senator Bumpers.

Senator BUMPERS. Mr. Chairman, I have no questions. I want to express my sincere gratitude to both Senator Cochran and Congressman Espy for being with us. Congressman Espy spoke eloquently at our press conference when we introduced the bill, as he has this morning. And anything I would say to them would be preaching to the saved.

We appreciate your support in the House, Congressman Espy, and Thad, we certainly appreciate your help here.

Mr. Chairman, at this point I'd also like to say, as you know, there's a vote on and it's halfway through now. Senator Breaux has gone to vote and I'd hoped he'd get back before the mid-term of the vote, so the hearings wouldn't be interrupted, but we're going to have to all leave at this point. And I think Governor Clinton and Governor Mabus are next, is that right?

Senator BURDICK. Yes.

Senator BUMPERS. Mr. Chairman, I would just suggest, if you will forgive us for just a minute, Senator Breaux should be back within a minute or two, and we'll continue the hearing. We're going to have to vote.

Senator BURDICK. We'll be in recess then, for a short period of time.

[Recess.]

Senator BREAUX [presiding]. The Committee will please come to order. Those guests in the audience will please take their seats.

I'm not sure whether Chairman Burdick had introduced our next panel, but I'm delighted to join in welcoming two of the Governors from the affected area. We are very pleased that they have taken time from their busy schedules to be here. It's a matter of importance to their area and to the Country. I know that they have al-

ready teamed as a unit of Governors, in Arkansas, Mississippi, and Louisiana working with Governor Buddy Roemer to do some things that we're already talking about doing in this legislation, we commend you for those efforts.

I spoke with Governor Roemer about this legislation. He supports it. He would be here, Governors, to join you but he has a little matter of State going on right now. He's in the middle of the legislative session, so he has to be excused and can't be with us today.

We're delighted to have both of you here. Governor Clinton I think we had you listed first.

STATEMENT OF HON. BILL CLINTON, GOVERNOR, STATE OF ARKANSAS

Governor CLINTON. Thank you very much.

Mr. Chairman, first of all let me thank you and the other Senators representing our States for sponsoring this bill. Let me also use the privilege of the Floor to say that later on in these hearings there will be other witnesses from my State who have a very personal perspective to add, and I'm very grateful for their presence here today, including the Director of my Department of Health, Dr. Elders; one of our highway commissioners, Mr. Slater; and perhaps our State's most distinguished musician and actor, Mr. Levon Helm. And we're glad to have all of them here.

I am in strong support of this bill as is everyone else here. I would like to take a few minutes today, not to go over all my prepared testimony, but simply to offer perhaps a few insights about what this bill might hope to accomplish and suggest some specific things that perhaps should be done.

Mr. Chairman, at the close of World War II our region was the poorest area in the Country. And relative to the rest of the Country as the States, we were even poorer then we are now. For example, Arkansas in 1946 had a per capita income that was only 56 percent of the national average. By 1978 we had gone from 56 percent of the national average to 78 percent of the national average, but by 1985 we had fallen back to 77 percent. Now, in spite of that, our urban areas, most of them were thriving and booming, and many of our rural areas, particularly in northwest Arkansas, were doing very well either because they were taking on the international economic competition and winning, or because they were doing things that were largely immune from international economic competition.

If you look at the statistics reported at page 7 in my testimony, you will see that our State has made significant progress. Employment increased from 924,000 in 1983 to over a million in 1987. Our State ranked fifth in 1986 and seventh in 1987 in the net growth of new manufacturing jobs. Twice in the 1980's we have ranked in the top ten States in the net percentage growth of overall jobs. Our unemployment rate dropped from 12.8 percent in January of 1983 to 7.8 percent today. Still that is more than two points above the national average, and totally masks the reality of what is going on in my State, and in most of the other States represented in this area,

which is that some of our areas are booming and others are literally worse off than they were 10, 20, 30 years ago.

That is what we are here to focus on today. First, I think it ought to be said that before the States come to the Federal Government for help, we should be able to demonstrate that we are trying to help ourselves. I think that is plainly the case in the States of Arkansas and Mississippi, our two States here represented; and certainly in your State, your new Governor is making herculean efforts to solve the problems of Louisiana to the maximum extent there.

In 1983 we had a sweeping education program. In 1985 we had a broad-based economic development program. Both of them are beginning to take hold and are making a significant difference in our lives. We are trying to take some specific initiatives. My State has brought to Arkansas a Southern Development Bank, the purpose of which is to provide a broad spectrum of financial services to depressed rural communities. One of the subsidiaries is called the Good Faith Fund, which is making loans of up to $5,000 to small farmers and self-employed entrepreneurs, using a pattern which has been pioneered in Chicago with the South Shore Development Bank, and in a larger sense, in some of the Third World countries. We hope that this will make a difference in redeveloping the economy of the Delta.

We have developed a Rural Development Action Program which is designed to improve the life of the 11 most depressed counties, eight of which are in eastern Arkansas, on or adjacent to counties that are on the Mississippi River. Going into counties with State officials from State agencies that have never been to these depressed areas and working with teams of local people, we chart a course for the future. And we feel good about that.

We've developed a new preschool program focusing it on the poorest families of our State, called the Home Instruction Program for Preschool Youngsters, which we borrowed from Israel, designed to promote recognition, development and the use of parent strengths to prepare children for kindergarten.

In 1987 we became the first State in the Country to take full advantage of the Federal legislation, which you supported, Senator Breaux, to provide optional Medicaid provisions to cover thousands of needy infants, children and pregnant women up to 100 percent of the Federal poverty line. Late last year the Congress permitted us to go to 185 percent of the Federal poverty line. We are studying that in preparation for our legislative session in January. And I know, at least, my neighbor in Mississippi has already increased coverage in Mississippi to 185 percent of the Federal poverty line in an attempt to drive down infant mortality and the incidence of low birth weight babies.

In 1986, because of efforts which have been going on for a decade, our infant mortality rate in the State dropped to the national average. And believe it or not, even in one or two of the east Arkansas counties, we got down to the national average.

And finally, as you've already mentioned, I have joined with my colleague, Governor Mabus, and your Governor, Governor Roemer, to sign a three-state compact designed to pool our efforts to promote the economies of our regions. We're going to begin with a

joint trade mission to Japan in the fall. We also have committed to join forces to fight common social and economic problems at the staff level, and also among the governors personally, we have been in intense communications to outline an ambitious agenda which will enable us to work together to try to deal with some of these problems.

Still, there are plainly limits to what we can do, because our States, being the poorest States in the Country, have the least ability to deal with the largest problems. Therefore, implementation of this Act should give our States the ability to make a case for more flexibility, and more resources coming from Washington and the administration of Federal programs, and should give you the evidence you need to make a case even in these difficult economic times with tight fiscal restraints for targeted assistance to our States.

On page 9 of my testimony there are some specific recommendations that I think we ought to be looking at, just to give you an example of the kinds of things which the Federal Government, even in difficult times, might be able to do for our respective areas. And I'd just like to mention one or two.

First, we want to make maximum use of the Job Training Partnership Act funds to help to retain unemployed adults, many of them are illiterate. Many of us are able to use JTPA funds for literacy programs now, for which I am very grateful, even though there was some questions and problems about that in the beginning of our efforts. Still, given the way that money has to be spent, we have difficulty training people in eastern Arkansas, for example, for certain kinds of jobs unless we can prove there's a job shortage or a need for those workers in that area. Well, when every county's got an unemployment rate of over 20 percent, you can't do that. There are other parts of our State where there are plainly job shortages. And we'd like to see that the high unemployment areas of the State have some more flexibility in the way we spend some of this Federal money.

Another example, I hope that next year, that Congress will consider joining with the States, and I wouldn't mind being asked, at least for my part, to have to provide some matching money to substantially increase work study funds, or scholarship funds available to students to go on to college or community college at quality technical programs, in return for those students' willingness to go into these depressed counties to serve as literacy instructors for illiterate adults, or to serve as aides in schools with high numbers of at-risk children. I noticed on the front page of the paper today, Senator Breaux, USA Today, there's a big study reported showing that young children, particularly boys, have dramatic reduction in their performance in education when they're raised in single parent households. We could put thousands of college students into the schools of these poor areas, working as teacher's aides, working one-on-one as big brothers and big sisters to these kids, working with all the tens of thousands of illiterate adults that are in the workforce for a very modest expenditure that could be joint State/Federal expenditure.

Another thing that I think should be considered is a more diverse development of the resources of the Mississippi River. I was

pleased to see Senator Cochran mention he wanted to file testimony from Bill Ferris, who is a constituent of Governor Mabus. We are asking Mr. Ferris and others to help us to develop a center to establish the study of folk culture in the Delta area at Helena. We would be very pleased to see the possibility of a three or four State link-up of Delta Cultural Centers all up and down the Mississippi River, something that could be aided dramatically by Federal assistance.

Finally, Mr. Chairman, just let me say this, to try to give some human dimension to this problem. Today the problem is that our people over in those areas don't have enough to do and can't do what there is to be done in the international economy. The other day we had a heartrending series of stories in our local press where two young boys, and they're not young any more—they're young by my standards, but they're grown men—brothers from one of our highest unemployment counties along the Mississippi River, went to Detroit to make their way in life, and wound up being the bosses of the biggest crack ring in the City of Detroit. And they were arrested. It turned out that they were running this crack ring with a bunch of young people from the county from which they come in Arkansas. They were bringing these kids up and putting them in semi-imprisonment circumstances and using them to sell crack on the streets of Detroit.

And there were a lot of rather heartrending comments about how all these young men from eastern Arkansas were really quite effective in the big city because they weren't trying to really rip people off, they were working, they were putting in a good day's work for a good day's pay, even in illicit circumstances. And I couldn't help thinking when I read all those stories, would those people have been there doing that if the youth unemployment rate from which they came did not exceed 50 percent? I think there's a serious question that they would not have.

And finally, let me just say this, before long we won't worry about the unemployment rate alone. By 1995 the Labor Department says the United States will have a labor shortage. That means that you are undertaking this study at the perfect time, because by 1995 with a national labor shortage there will be terrific demand for the human resources in the Mississippi Delta. And we will have a chance in the next 10 years to bring the unemployment rate of that area down to the national average, the per capita income up to the national average. But we can't do it unless we develop the capacities of the people and the land down there. And if we don't we'll have the incredible irony by 1995 of having all these depressed areas up and down the river in our States, and America will be importing workers to do the jobs because we don't have enough Americans to do them.

I submit to you, Mr. Chairman, we cannot let that happen, and with your help and leadership, this commission can ensure that it doesn't happen and that the people who live along the Delta in our States will finally be able to fulfill their God given abilities.

Thank you very much.

Senator BREAUX. Thank you very much, Governor Clinton, for your presentation. Governor, I know you may have to depart for

another hearing, so you can be excused whenever you feel like you have to leave.

Congressman, if you'd like to join them at the table, we'd be pleased to have you there.

Governor Mabus, we're delighted that you're here from Mississippi, and we'd be pleased to hear your testimony.

STATEMENT OF HON. RAY MABUS, GOVERNOR, STATE OF MISSISSIPPI

Governor MABUS. Thank you, Mr. Chairman, and thank the rest of the members of these two committees for inviting me to testify here with my colleague, Bill Clinton.

Let me begin by stressing the absolute need for the establishment of the Lower Mississippi Delta Development Commission through the passage of Senate Bill 2246. Senator Bumpers, Senator Breaux, and the others who have been actively involved in the drafting the sponsoring of this legislation are to be commended. Your efforts have resulted in a new focus on the Delta Region, which I think is badly needed.

I know that you won't lack sufficient facts and figures about the Lower Mississippi Delta. The members of this committee have already set many of these before you. It's sufficient to say that Mississippi, Louisiana, and Arkansas have consistently ranked among the Nation's poorest States. In fact, as Senator Bumpers pointed out, we in Mississippi have the Nation's poorest county, Tunica County, which is in Mike Espy's district with an individual poverty rate of over 50 percent.

Although we are making progress, and we are working exceedingly hard at it, education and health rankings today are unacceptably low with too many people being unable to read and write, too many teenage babies having babies, too few doctors and too many infants either dying or being born with preventable handicaps.

Despite these really heartrending statistics, I have to say that in Mississippi, and in our sister States, Louisiana and Arkansas, there's a sense of rebirth. We know that the first place we have to look for solutions is at home, we know what we must do and we're on the road to doing a lot of these things.

In the regular session of the Mississippi Legislature that just ended, as Governor Clinton mentioned, we were among the first States to provide Medicaid benefits to people with incomes up to 185 percent of poverty. We've improved our delivery of medical care to pregnant women and infants and have lowered our infant mortality rate. We've moved from 50th to 47th in the last three years in the number of deaths per 1,000 live births.

As a new governor, I campaigned for the need to refocus our limited dollars where they'll do the most good. This year 85 percent of the new money we appropriated went into education. Teacher's salaries went from 49——

Senator BUMPERS. What percentage was that, Governor?

Governor MABUS. Eighty-five percent.

Senator BUMPERS. That's a staggering figure.

Governor MABUS. Our teacher's salaries went from 49th in the Country to 34th. We put 100 million new dollars into the universi-

ties and junior colleges of our State, and we did it all without raising taxes. We did it by setting priorities. We're in the midst of implementing the first comprehensive reform act in the Country, the Education Reform Act of 1982 passed by my predecessor, Governor William Winter.

Our economy is running better today. Our unemployment is at a low for the decade, but it has pockets of despair and high unemployment. We want to manage our resources better. We want to run all levels of government more efficiently, from the county level up to the State level.

We did not come here today looking for a handout from you at the Federal level. What we are seeking is a commodity that's much more priceless, and that commodity is hope. We know the price of bringing prosperity and hope to this part of our Nation has to be counted in more than just dollars. It has to take a commitment from officials at every level of government from the cities and counties of the region to the States, and to the Nation.

In fact, as Bill Clinton has pointed out, the States of Mississippi, Louisiana and Arkansas have already banded together in a concerted effort to improve the economy and quality of life in the Lower Mississippi Delta. Last month, Bill Clinton, Buddy Roemer of Louisiana and I signed a Governor's Agreement designed to create lines of communication among the private sector and among our State governments. The tri-State pact will promote growth and development and we hope an improved quality of life in our three States.

A separate International Cooperative Initiative will encourage relations with foreign countries in the areas of trade, industry, technology, tourism, education and culture.

These agreements have targeted the Lower Mississippi Delta. We have not been sitting idly by waiting for someone else to solve our problems. But the enactment of the Lower Mississippi Delta Development Act could be the catalyst needed to bring together government efforts at all levels in a way that will produce profound results.

The Lower Mississippi Delta Development Act is important. It will focus on the causes rather than on the symptoms of our problems. Programs that only treat symptoms will never break the cycle of poverty that holds down too many people of this region.

This act would be a wonderful investment. Three million dollars is a small price to pay for the enormous dividends the region and the Country could reap.

The most important part of the bill is the 12-month study of the region's long-range economic needs. We're talking here about critical planning to unearth the source of the chronic hardships that persist in the Delta. The areas of this study range, as governors in the area deal with every day, from subjects like as education and public health, the housing, job creation, infrastructure and resource development.

But there's another and better reason why I think this legislation should be passed. I think it's in the Nation's best interest. If we are successful in improving the plight of the Lower Mississippi Delta, this Country succeeds. We cannot and will not have a truly

vibrant Country if we have pockets of despair, if there are places that do not fully share in the American dream.

We don't anticipate that the progeny of this commission will be large amounts of money spent on dubious projects. It should result in carefully targeted efforts that will benefit people throughout this region.

Enactment of Senate Bill 2246 will allow the seven States encompassed by the bill to work together. The hope harnessed by this cooperative venture will provide our States with the information and tools necessary to finally live up to our potential. The commission's study will inform us. It will help you, our representatives at the national level, to better target Federal resources. It will guide us toward opportunities for innovation and creativity. I urge you to help us help ourselves.

Thank you.

Senator BREAUX. Thank you very much, Governor.

I want to acknowledge our colleagues joining us from Small Business Committee, Senator Paul Simon from Illinois, and also Senator Jim Sasser from Tennessee.

Governors, I just had one real quick question. The composition of the commission is nine members, one to be appointed representing each of the seven governors, one by the President, and the Administrator of the Small Business Administration. Do you all have any suggestions as to whether that's a good lineup as far as you're concerned? The Small Business Administrator, is there some other Department in the Federal Government that you all think should be included, or is this acceptable, or is this a good suggestion in your opinions?

Senator BUMPERS. Senator Breaux, if you'd yield on that, let me just say that there's absolutely no pride of authorship on that particular section of the bill. And I would welcome any suggestions you might have now, or suggestions you would care to give to Senator Breaux and me before this bill is marked up.

Senator BREAUX. You might want to think about it and see if you could provide some suggestions. I think Senator Bumpers is right on target with what he's just said.

Governor CLINTON. I'd just like to offer an observation. I think, Senator Bumpers, in the drafting of the bill to try to keep the size of the commission down, I think is a very smart thing to do. On the other hand, if we're going to have a commission like this, I think it is very important that it be fairly representative of our region and of all the kinds of concerns which have to be addressed. Therefore, if we decide—if you decide to stay with nine members, Senator, I think one thing that maybe we should do if the bill passes and is signed into law, is to try to get the governors together with the sponsors and perhaps the agencies involved to agree on how we're going to try to make this a genuinely representative commission. Because all of us now, I'm sure—I've gotten probably 50 letters already from people wanting to be this single Arkansas appointee to this—and if we all make the same sort of decision about who should be on the commission, then we might have a commission that in the aggregate won't fully reflect all the background and experience that we need on it.

But I think you're absolutely right to try to keep it down, but that means we need to cooperate in picking the individuals.

Senator BREAUX. I think if you all could provide any suggestions as you all return back home about the composition of it, I think everybody would appreciate it.

Senator Simon, questions?

Senator SIMON. I have no question.

I'd like to enter a statement in the record. I'm here to say I think it's a much needed project. It includes my State of Illinois, southern Illinois. We have real problems. Rhonda Vinson, from my State, will be testifying. I'm pleased to see two of the Nation's outstanding Governors here testifying in behalf of this.

Senator BREAUX. Senator Sasser.

Senator SASSER. Mr. Chairman, I would like to welcome Governor Clinton here this morning, and Governor Mabus, and our old friend, Congressman Beryl Anthony.

This is a project that I think is long overdue. We've suffered up and down the Mississippi River and the Mississippi Valley now for almost two centuries with problems of abject poverty, and I think Senator Bumpers has come up with an idea whose time has come. And I'm pleased to see two of the best and the brightest of the Governors of the United States here testifying in favor of this concept today.

Thank you.

Senator BREAUX. Thank you, Senator.

Governors, we thank both of you for spending so much time in working with us. Thank you, Ray and Bill.

Governor CLINTON. Thank you.

Governor MABUS. Thank you.

[Statements from Senators Simon and Sasser follow:]

OPENING STATEMENT OF HON. PAUL SIMON, U.S. SENATOR FROM THE STATE OF ILLINOIS

Mr. Chairman, I wish to thank you and the members of these two committees for allowing me to join you this morning, and I commend the Senator from Arkansas for his leadership on this legislation. I was pleased to have the opportunity to join him as an original cosponsor of this bill.

Throughout this country, we are seeing a growing need to look at our society through new eyes, to find new ways to address the needs of our committees, and to build on the common bonds of our citizens. We need fresh solutions that make better use of federal, state and local resources and that help bring growth, opportunity and economic strength back to all parts of this country.

The Lower Mississippi region is a region that has for too long been overlooked. While the river itself provides a common bond of commerce, environment and culture, the regions in all states along the Lower Mississippi also suffer the same needs—better infrastructure to support economic growth, better care and services to meet human needs, and a more diversified economy to provide jobs for the future. As witnesses are indicating this morning, it is a region of our country that is slowly but steadily facing greater needs.

And while the river provides a common bond, it also provides a natural barrier. The counties represented in this legislation too often are the least populated, poorest or most underrepresented parts of their states, and coordinating the efforts of the seven states along the river is extremely difficult. The river provides a boundary for many federal planning and regulatory agencies, making coordinated regional development difficult.

My home town of Makanda, Illinois, is in the ten-county area of Southern Illinois included in this legislation. We are blessed with the beauty of Shawnee National Forest, the underground resources of Illinois Basin coal, hard-working farmers, and an excellent university. But we also struggle to attract new, solid industry, provide

adequate housing and health care, and meet the education and vocational needs of our youth. I am pleased that we have the opportunity this morning to hear testimony from the economic development office at Southern Illinois University, to hear of the successes we've had already and the needs we still have for the future.

This bill is an excellent first step toward addressing the needs of the Lower Mississippi region. It is a region that, with targeted and timely federal assistance, has the capacity for significant growth. In the first two years of the UDAG program, for example, we were able to use that program to bring more new jobs to my former House district than to any other Congressional district in the country.

Proposals similar to this bill have been tried in the past, with only limited success. We need to learn from those efforts, and from such regional planning efforts as the Appalachian Regional Commission. This legislation takes the necessary first step of gathering data, surveying the resources we already have and the needs still to be met, starting to fit all the pieces together. It's a modest beginning for a major task, but one that will lay the groundwork for the effective coordination of federal efforts in this region in the future.

Again, I commend Senator Bumpers and the members of these two Committees for your leadership in helping the Lower Mississippi region get the attention and assistance it so fully deserves.

Opening Statement of Hon. Jim Sasser, U.S. Senator From the State of Tennessee

Mr. Chairman, when we introduced S. 2246 in March of this year, I spoke of the paradoxes of lower Mississippi delta region. Here we have a region that is rich in tradition—which contains some of the richest soil in this country. Yet, year after year, generation after generation, the Mississippi delta has been at the bottom of nearly every measurement of personal income and at the top of every indicator of poverty.

The lowest per capita income levels in the country—unemployment rates consistently higher than the national average—the highest levels of illiteracy. These are all tragic reminders of the quality of life for literally thousands of Americans who live in the Mississippi delta region. They are victims of a level of poverty which has had a strange-hold on this region for decades.

Several counties in the western region of my native State of Tennessee have suffered in what can only be described as the poorest region in the United States.

Lake County sits on the Mississippi in the northwestern corner of Tennessee. Nearly 25 percent of the county's residents live in poverty. In March of this year, Lake County's unemployment rate stood at 7.6 percent. That compares with a 5.9 percent unemployment rate at both the national and statewide levels.

Haywood county, Tennessee, presents an equally grim picture. Again, over 25 percent of the county's residents live in poverty. Unemployment is consistently higher than the State or national level. In March of this year, the county's unemployment rate stood at 8 percent.

Mr. Chairman, these figures are typical of the suffering we find in the 21 Tennessee counties that stretch from the banks of the Tennessee River to the banks of the Mississippi. All of these west Tennessee counties are traditionally below the national level for per capita income. All are historically above the national poverty level. All tend to have higher unemployment rates than the national average.

This legislation offers a promise of breaking this continuing cycle of poverty. While we recognize the solutions are not going to be quick or easy, this bill takes a critical first step in combating this devastating problem head-on.

I might add, Mr. Chairman, that I believe the time is ripe for such a proposal. I sense a re-awakening across this land focusing on education, poverty and decent living conditions. The study called for in this legislation should prove central towards channeling this renewed energy towards constructive results.

I would also add that with the experience we have gained through similar efforts, our chances for success are much improved. With the work of the Appalachian Regional Commission and the Tennessee Valley Authority, we have a good idea of what can and cannot be accomplished through economic development programs.

Again, Mr. Chairman, this effort will take time. We are talking about establishing a structure for combating poverty in a seven-State region. We cannot expect overnight results.

But neither can we continue to ignore the urgent need for this type of action. If we are ever to bring the hope of a better tomorrow to the Mississippi delta region,

we must begin on this long road. If we are ever to break the choking grip of poverty of this region, we must begin now.

Senator BREAUX. We'd like to hear next from our colleague from the House, Hon. Beryl Anthony. Beryl, welcome.

STATEMENT OF HON. BERYL ANTHONY, JR., A REPRESENTATIVE IN CONGRESS FROM THE STATE OF ARKANSAS

Mr. ANTHONY. Thank you, Senator Breaux, Senator Bumpers and other distinguished Members of the Senate, and my colleague from the House, Mike Espy.

I do have a prepared statement, and with your permission I would like to have it introduced in full, and I'd like to summarize some of my comments.

Senator BREAUX. Without objection.

Mr. ANTHONY. Senator Bumpers knows full well where my district is and Mike Espy does, because he represents the Mississippi side, but for the other members of the panel, if you'll look at the extreme southeast part of Arkansas and see that red county, that is the county that I represent along with 22 other counties. And you'll notice that along the Mississippi River some of the counties that I represent are within the confines of the Mississippi Delta area that is seeking to be addressed economically by this piece of legislation.

I am an original cosponsor of a piece of legislation that was introduced by Jamie Whitten of Mississippi and my good friend, Mike Espy, of Mississippi.

What we find, historically, is that this Mississippi area, once the glacier receded, turned out to be some of the most fertile farmland in the country. And as a result, that's where most of our economy was based. As a result of not much mechanization, John, during that period of time we had many people who worked, and worked fulltime on the farm. But as mechanization came along, as improvements in the way agriculture is done as an industry came along, you had displaced farm workers.

What we did from the South with our pool of low skilled workers, we basically stole the textile industry from the Northeast, brought it down to our part of the country, only to see the Pacific Rim take away the textile industry from us, because they had a much cheaper low wage scale. As a result, now we have displaced workers from two industries, the agriculture industry and the textile and apparel industry.

So what we now have is a pattern that has developed over the last three decades that has left a miserable print on the face of the Delta. And of the basic elements vital to the quality of life and the attraction of business, the Delta States have consistently ranked the lowest in the 50 States.

While all seven States along the Mississippi Delta share the failure of American society, to evenly distribute opportunity and advantage, I'd like to explain a few of the specific problems that affect the southern most three States along the area, areas which all border my particular Congressional District.

The Lower Mississippi River Valley represents the area lowest in per capita income in the Nation. Mississippi ranks the lowest with

Arkansas and Louisiana close by. Mississippi and Arkansas rank first and second, respectively, in the percentage of households with annual incomes below $15,000. As a result, the poverty level of these three States is the worst in the United States. Out of the 50 States, Arkansas, Louisiana and Mississippi rank 46th, 47th and 50th in real personal income. Mississippi is the poorest State in the Union, with Louisiana ranked second and Arkansas fourth. Unemployment figures show the region to be above the National Average, with the Delta area holding the highest unemployment rate for young people in the Nation.

And for us to be billing ourselves as the land of opportunity, Dale, it's a shame that our young people are forced to leave the State or live in abject poverty if they choose to stay in the region where they were born. Health and housing facilities are grossly lacking. Many residents live in deplorable conditions. Numerous homes are without proper heating and electricity, plumbing, and many of the other basic necessities that most of us take for granted. Inadequate housing further compounds health problems, and to make matters even worse, the region has the lowest number of physicians per capita than anywhere in the country. The infant mortality rate is the highest in the country, and the problem of teenage pregnancy is shocking.

Without a vehicle to serve as the catalyst for change, the downward spiral of life in the Delta will continue until it is finally consumed by its own weight and lack of direction. This vehicle is now in the making. Concerned Members of the United States House and Senate have introduced legislation to create a study commission to come to grips with a problem that many would like to believe doesn't exist. The Lower Mississippi Delta Development bill, which has the strong support of Senators Bumpers and Pryor from my own State of Arkansas, as well as other distinguished Members of the Senate, is also endorsed by many of my colleagues in the House.

I'm proud to have been an original cosponsor of this legislation with Chairman Whitten and Representative Mike Espy among others. The Delta Development legislation will finally enable the Congress to fully understand the complex and frustrating economic conditions that I have just tried to illustrate based on my own firsthand experience in the area. The commission study will provide Congress with vital information on the need for transportation infrastructure improvement, public health and housing requirements, jobs creation in industrial development. In short, everything necessary to allow the Delta to help itself.

Governor Clinton has made the issue of education a top priority for the State of Arkansas, and has helped carry that message to the entire Nation. Nowhere, perhaps, is the need for attention to education greater than in the Mississippi Delta. The Delta States are consistently at the very bottom of the Nation in educational testing standards. In Arkansas the counties along the river reflect the lowest test scores for both pupils and teachers alike. Children growing up in the Delta Region should be entitled to the same opportunities for knowledge and hope as children growing up in other areas of the United States. We're here to discuss legislation which will bring a new and brighter future to a major section of our

Country. It is our children who are the future. The Lower Mississippi Delta Development bill will provide an education for the Congress, so that we, too, may better understand the hopes and aspirations of those children growing up in poverty along the banks of the greatest river on the continent.

I urge your approval of this legislation as a first step in that understanding.

John and Dale, what I find very interesting about this, the two governors have testified, and testified about what they have done, what the region is trying to do for themselves. About three years ago I was asked by Leon Panetta—a Member of Congress from California, who's been very interested in the problem of low weight birth babies as a result of the incremental cost in the health system if we don't do something early on to try to provide better health services for young teenage pregnant women. I went and participated at that press conference because, for one reason, Chicot County, which is painted in red, has that exact problem, and the studies and statistics show that.

So, I say to you, you're on the right track. What we must do is amass the facts and the figures so that we can educate the Congress to get the proper legislation passed. And I applaud you for your efforts, and I think they will be well deserved in the future.

Senator BUMPERS [presiding]. Thank you very much, Congressman Anthony. We're honored to have you with us, and certainly honored to have your strong support for this. You have a major part of this area in your district, so anything I'd say to you would certainly be preaching to the saved. You know it all too well.

Senator Sasser, do you have any questions of Congressman Anthony?

Senator SASSER. No, I don't, Mr. Chairman. But it's a pleasure to have Congressman Anthony before us this morning. And I appreciate his statement, his eloquent statement, very much.

Senator BUMPERS. Thank you, Jim. Thank you, Beryl.

Mr. ANTHONY. Thank you, Senator.

Senator BUMPERS. Levon, we're very honored that you have taken the time out of what I know is a busy schedule, and using your celebrity status, and also your keen appreciation for this area being a native born son in the middle of it. We're most honored to have you with us this morning, and I regret that we have another roll call on right now, and Senator Breaux has had to leave, but we'll try to arrange this so that we don't have to interrupt your testimony.

With that, we're pleased to have you and look forward to hearing from you.

STATEMENT OF LEVON HELM, NEW YORK, NY

Mr. HELM. Mr. Chairman, members of the committee, I want to thank you for inviting me to testify before this panel. As most of you know, the people of the Delta have been lost in the American shuffle for the past 30 or more years, and we've had to sit out the long fast dance called progress. I want to commend Senator Bumpers for introducing S. 2246 and for his efforts to call America's attention to an area which is long suffering. I'd like to thank each of

you for having me here today, and I appreciate your taking the time to listen to me.

Anything that I could help you with, Senator, I'm happy to play on the kickoff team, run back punts, to be on the Delta team.

Senator BUMPERS. For whatever it's worth to you, I had read your testimony prior to your coming here. I hope that as the Governors appoint members to this commission, and if we change the makeup of the commission, or somehow or another add an advisory commission, I certainly hope that you'd be willing to serve in some capacity on the commission, if time would permit you to do it. I think you'd give a lot of credibility to it.

I know Marvell, Arkansas, your birthplace, very well. I know a lot of the fine people there. It's one thing to say that poverty can sometimes be character building, and it can be. I grew up in poverty, not as deep as in Marvell back during the depression. There was no snob value to it because everybody was poor then. But, you know, we used to sit up with the sick. We used to raise money when somebody's house burned, and there was a genuine tender, caring concern for all the people in the very small community that I grew up in—smaller than Marvell, as a matter of fact—that was character building about it. But too much of that kind of character building is a violation of the values of the Country.

We can do better. We ought to do better. Out of the 11 million people who live in the area covered by this bill, out of the 11 million people in all those counties there are only three counties that have less than 30 percent of the people there living in poverty. It is simply unacceptable when in the past we've tried to deal with poverty through the Appalachian Regional Commission, and it has succeeded to some extent. We've tried to deal with it through the Ozark Regional Commission to help counties—you can see those four blue counties up in the north part of Arkansas, which were originally the Ozark Regional Commission—the Ozark Regional Commission was originally designed to eliminate poverty in that area.

But I think it's also important to note that Senator John Stennis, who's been here 40 years and is retiring this year, in his exit interview a couple of months ago, said that his one regret in his 40 year-tenure here was that we had not done more to address poverty in that area of the Country. It is unacceptable, and this bill is designed to do something about it.

And we certainly appreciate your keen interest in it, and understanding of it, having been born and raised in the Delta.

Senator Sasser?

Senator SASSER. Thank you, Mr. Chairman.

One of my major concerns here is making sure that the commission concentrates what I believe will be limited resources in the correct area.

Mr. Helm, in your opinion where should the commission put its emphasis during this study? Should we focus primarily on education, or should we emphasize primarily greater efforts to bring jobs into the area? Do you have any thoughts along that line about where we might put the primary emphasis if we had to make a choice?

Mr. HELM. I think, first of all, Senator, that to take people off welfare roles and put them on the payroll is at the heart of the bill. And of course, education goes hand-in-hand with that.

I think that the economic depression that the people of the Delta have gone through for the past several years is a lot more harmful than a mistake that we could make trying to do something about it.

Senator SASSER. Well, I agree with you. Of course, we have one of the highest levels of illiteracy in the Country in the area that we're trying to deal with here.

For example, in my State of Tennessee, we've got three counties—Lake County which sits on the Mississippi in the northwestern corner of Tennessee, nearly 25 percent of that county's residents, Lake County, live in poverty. In March of this year, Lake County's unemployment rate stood at 7.6 percent. This compares with the National Average of 5.9 percent. Haywood County, another county in Tennessee, presents an equally grim picture. Over 25 percent of that county's residents live at a poverty level or below. Unemployment in Haywood County is consistently higher than the National Average, or the State Average. This year the unemployment level in Haywood County stood at eight percent. These two counties are typical, I think, of some of the problems that we find in the Mississippi Delta Region.

In response to your observation that we need to get people off welfare and into jobs, it's been my experience that these people want to get off welfare. They want jobs. And if these people are offered jobs in these areas, they're willing to put in nine hours of dedicated labor for eight hours of pay. They're exemplary workers, and that has been the experience of many manufacturers who have come into this area in an effort to find loyal, hard working employees. And we just need to find more manufacturers to do this.

I might make this comment, that you may or may not be aware that there is a concept being advanced by business leaders in Memphis, Tennessee, called a Mid-South Common Market Concept. And basically, what the Memphis business community is attempting to create is a common market mentality for the 100 counties that surround Memphis, both in western Tennessee, southern Arkansas, northern Mississippi. And it seems to me that this proposal might fit in very well with what we're after in this bill. And Memphis might become one of the business hubs from which we can spin out jobs and economic stimulus to the whole area. Not that Memphis would be the sole hub, there'd be other hub areas, I'm sure, in the region. But this would be one logical hub area from which we could spin out employment and hopefully bring some economic viability to many of the rural counties where people are without hope and have been living at below poverty levels now for generation, after generation, after generation.

I want to commend you for your interest in this whole concept, and for your support of the bill that Senator Bumpers is advancing, and which I'm pleased to be a cosponsor of. Thank you.

Senator BUMPERS. Senator Sasser and I are going to have to go vote in just a minute.

Let me just ask you this question. First of all, when did you leave Marvell?

Mr. HELM. I left in 1958, Senator Bumpers.

Senator BUMPERS. How old were you then?

Mr. HELM. Eighteen.

Senator BUMPERS. Did you make a conscious decision that there was no future for you in Marvell?

Mr. HELM. It's pretty hard to play music in south Arkansas, Senator, on a regular basis.

Senator BUMPERS. How did you learn music?

Mr. HELM. By growing up in the Delta.

Senator BUMPERS. You didn't have any formal studying or anything?

Mr. HELM. No, sir.

Senator BUMPERS. You just learned to play it?

Mr. HELM. It's in the soil.

I would like to applaud Governor Clinton's idea of a Delta Cultural Center, which will certainly do a lot for education and create jobs. And the music from the Delta is certainly the bedrock of popular music as we know and hear it today.

And I've worked with the Helena Blues Festival, this is our third year, on October 7th and 8th. And we've had people from Japan, from Europe, and that's given us a sense of community, and a sense of pride for the whole community to come together and pull off the sort of event that is blues and barbecue, and we can have people from all over the world come in and enjoy it with us.

Senator BUMPERS. You know, one of the things that people from outside would not have a keen appreciation of is the culture of the Delta. And one of the real dangers in the area is losing that culture, because of the poverty and because so many people are leaving. The old die off and the young leave. And it has a tendency to become a desolate area, and the culture of the region, which is very rich, is lost. I must say that Helena, in Phillips County, has one of the richest cultures. You know, DeSoto stopped off there, and in addition to that the blues music of this Country originated in that whole area. And to lose that culture would really be a great loss, completely aside from the other problems we have there.

I'm going to have to run. Again, Levon, thank you very much for being with us this morning.

Senator Breaux [presiding]. Levon, I'd like to join with other members and thank you for being here. I've had the privilege of hearing you play, and anyone who has not had that privilege is missing an awful lot. You really have a lot of sense of the history and the soul, and the heart of that area, even though you don't live there any more.

It makes us wonder, as Dale Bumpers was just mentioning, that area that seems to be the heart of the poverty in this Country is really an area that has so many great natural resources, the Mississippi River being one of the great rivers of the world, and all the fertile land that abounds on each side of the river, yet despite the resources, we've got the highest concentration of all the things that are bad.

Hopefully this legislation will allow us to have a national focus on this region and come up with some national suggestions as to what needs to be done to help correct that problem. You could help us in trying to bring that message to the rest of the Country. We

appreciate your joining with us today. We're going to be calling on you, to be of some help in the future. We thank you for being here.

Mr. HELM. Thank you.

Senator BREAUX. Congressman, did you have some questions?

Mr. ESPY. Senator, excuse me. It's not a question as much as it is an observation. And I'm going to be very brief.

When Senator Sasser asked you earlier, Mr. Helm, about any particular recommendations you might have, or the types of things that this commission would focus on you said to move people off of welfare onto the employment roles. Well, a lot of those in the audience, and those that might read this testimony would consider it perhaps a duplication of legislative efforts, because we do have a welfare reform proposal coming now through the Senate, and we've also passed one through the House. So the question might be, this should not be the proper focus of this commission, and there might be some redundant quality.

I'd like to address that. When we look at the particular role of this commission, I think it could act in an advisory capacity for standing pieces of legislation, such as welfare reform. The problem we have in the rural areas, is that it is rural. And a part of welfare reform is how to transport the particular welfare individual to the job. The district I represent is entirely rural, and it takes quite a bit of effort just to get to the voter role, just to get to the job, and so this commission could act in an advisory capacity telling those marking up other bills the particular difference between the urban feature and the rural feature.

I've been in Congress now just about 19 months, but I'm always astounded by the fact that the other Members from more urban areas don't really consider the different features that we have in the Delta, particularly with respect to transportation, with respect to health care, and respect to housing. So I think that, Senator, the comment I would have is that a very important role of this commission, in addition to just making suggestions that would affect the Lower Mississippi Delta Region as a feature of this bill that we're discussing today, it could serve in an advisory capacity to those considering welfare reform, to those considering housing legislation, to those considering health care legislation, and also save the Federal Government in that way as well.

Thank you.

Senator BREAUX. Thank you, Congressman, for your comment.

Thank you, Levon, for being with us.

We'd like to welcome the next panel and ask them to take their places at the witness table. Mr. Bob Brannon, who is the representative of the Memphis Area Chamber of Commerce; Mr. Charlie Dean, chairman of the board of directors of Industrial and Community Development, Stoneville, Mississippi; the Honorable Dave Norris, the Mayor of the City of West Monroe, in Louisiana; Ms. Mary Doggett, the economic development specialist, from Missouri; Dr. Rhonda Vinson, who is director of the office of economic and regional development, Southern Illinois University, Carbondale, Illinois; and Mr. Bob Williamson, who's the executive director of the North Central Planning and Development District, of Winona, Mississippi.

Mr. Brannon, you are listed first. We are pleased to have your testimony.

STATEMENT OF ROBERT L. BRANNON, REPRESENTATIVE, MEMPHIS AREA CHAMBER OF COMMERCE, MEMPHIS, TN

Mr. BRANNON. Good morning. My name is Robert Brannon. I'm an officer with the Holiday Corporation, but I'm here this morning as a Board member of the Memphis Area Chamber of Commerce, and am speaking to you on its behalf, and in strong support of your bill, S. 2246.

Let me say at the outset, that business and government leaders across the Mid-South Region welcome and strongly support this initiative. It will put into place a strategic planning framework for much needed cooperative local, State, Federal, and private efforts to revitalize the economic and human resources of the Lower Mississippi Delta Region. We, too, have recognized the need for an approach that crosses numerous political jurisdictions to serve our mutual economic needs. State boundaries were drawn when our Country was a solidly agrarian society. Today economic development nationwide has turned all that upside down. Economics does not recognize political boundaries. Consequently we must look to creating broad, regional, cooperative efforts if we are to overcome our problems and achieve the level of economic development necessary to touch every human being throughout this vast region comprising the heartland of our Country.

The problems of depressed or lagging regions in advanced economies, such as ours, are well known and are well documented. Changes in technology, demand, world trade, and comparative geographical advantages work to the detriment of such regions, especially where over-specialization in the industrial structure and under-investment in human capital have existed for some time. The characteristic sequence of events ends in the decline of leading industry, bringing unemployment, outward population migration in key age categories, and economic stagnation. The general air of economic recession in numerous decaying towns and cities aggravates other environmental problems to create a situation unattractive to new industrial development and capital. This model applies with special force to the Lower Mississippi Delta, which suffers high poverty and unemployment more so than any other large region of our Country.

Here are just some of the problems we recognize that our region confronts:

Chronic recessionary forces in agriculture severely impact agribusinesses throughout the region;

Stagnation in the oil industry has created severe economic dislocation; the long-run decline in manufacturing has generated increased unemployment in many communities;

High-growth service industries have been difficult to attract to rural areas; rural communities continue to have cyclically sensitive employment patterns lack adequate access to transportation networks and desperately need state-of-the-art communication systems;

Stagnating growth in manufacturing has limited the value added of products made in the area;

Low wage rates create few opportunities for increasing income;

There is low educational attainment and under investment in human resources is much of the reason.

I must quickly add, though, that there are some bright spots. Memphis, in the last several years, has enjoyed strong economic growth and it was recently reported that we were among the top 20 metropolitan areas in the Country in terms of new jobs added over the last several years. Fortune Magazine, a year ago, labeled us one of six American cities, "Where America is Booming". There are other areas of growth in the Lower Delta Region that have experienced varying degrees of economic expansion also.

So we do have potential, and here are some of those favorable elements:

We have vast pools of labor;

We have substantial existing investments in social capital and support infrastructure; considerable entrepreneurial experience exists;

We have prosperous industries in some key areas;

A strong natural resource base of water, gas, land and power exists to support future growth;

And there is a growing recognition among communities throughout the region of the importance of educational excellence. Our problem is one of economic regeneration, or transformation and conversion, rather than de novo industrialization.

Economic reconstruction requires changes in outdated economic approaches, nothing short of an intellectual transformation in the way business and government leadership view the region. We must recognize that we are one large segment within an even larger system of regions that comprise a Nation which is only one segment of a global economy.

Significantly, already, new contracts are being drawn between business and governments. Partnership is the order of the day, with business and government working together to do positive things that neither can accomplish alone. The hope of a single Federal panacea for every community ill has faded into the reality that local and regional efforts with strong support systems at the State and Federal Government levels are essential if we are to attack regional problems successfully. Powers are being restored to States, and through them, to the communities. The new role at the Federal level in the future is nowhere better described than in Bill 2246. It's purposes and objectives coincide perfectly with a need to effect the intellectual transformation I described earlier.

Our Chamber recognized some time ago, and Senator Sasser mentioned it just a few minutes ago, the need for cooperative efforts throughout this region. Consequently, we took the lead in forming the Mid-South Common Market, an economic development coalition spanning 105 counties in five States with Memphis serving as a central hub. We see this budding Common Market fitting in neatly with a much larger regional development scheme that would result from enactment of 2246.

The Mid-South Common Market will do some of the following: We are working to form a consensus economic agenda that can be

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embraced by all elements of our community. We will conduct economic demographic analyses related to emerging businesses, labor supply, equity and debt capital, and economic trends. We will explore and encourage economic alternatives, such as business incubator facilities, worker-owned organizations, and financial alternatives for small businesses. We will promote the region as a unified whole to the rest of the Nation and to the world. We will develop long-range planning and propose legislation to benefit the region.

The benefits associated with such a development, and surely with the larger concept that we're talking about this morning are as follows: local development organizations and chambers of commerce can pool resources and expertise; marketing the Mid-South region as a whole, we'll make it a more potent economic force with combined promotional efforts allowing smaller communities to attract economic spin-offs from larger communities; more affluent areas within the region can assist poorer communities; political boundaries can be made more flexible and permeable through Common Market efforts.

Finally, we believe that the Mid-South Common Market concept can become an integral part of the Lower Mississippi Delta Commission as proposed in 2246. We see only benefits from the expanded and concerted strategic planning capabilities envisioned for the new Lower Mississippi Delta Commission. We embrace the proposal and we urge you and your colleagues to work toward its passage.

Thank you.

Senator BREAUX. Thank you, Mr. Brannon.

Next we'll hear from Mr. Charlie Dean. Mr. Dean?

STATEMENT OF CHARLES DEAN, CHAIRMAN, BOARD OF DIRECTORS, INDUSTRIAL AND COMMUNITY DEVELOPMENT, STONEVILLE, MS

Mr. DEAN. Thank you, Senator Breaux.

I'm Charles Dean, a civil engineer in Cleveland, Mississippi, and I'm presently serving as Chairman of the Industrial and Community Development Department of our Delta Council.

I would, with your permission, like to enter my written statement into the official record and for the time limitations only hit the high points, and make a few comments, and answer any questions you may have.

Senator BREAUX. Without objection, that will be done.

Mr. DEAN. Thank you.

The Delta Council was organized in 1935 by a group of farsighted business and agricultural leaders representing 18 Delta and part-Delta counties in northwest Mississippi.

The Delta Council is supported by approximately 4,000 dues-paying members and by county Boards of Supervisors. The membership represents the top business, agricultural and professional leaders of the area. The Delta Council has always taken a leading part in the development of national policy as it relates to agriculture and the organization is very active in developing needed agricultural research and promoting more efficient production.

The Delta Council's industrial and community development department in cooperation with other State, regional and local devel-

opment organizations have successfully initiated diversification and in economic efforts. Since 1960, the 18 county Mississippi Delta Region has experienced an increase in total employment. These increases have been overshadowed by the still existing high rate of unemployment. Annual averages of unemployment for 1987 confirm Sharkey County with 30.2 percent, Issaquena County with 19.2 percent, Holmes County with 18.7 percent, Tunica County with 18.3 percent, and Quitman County with 18.2 percent. Unemployment rates are particularly high among the minority populations. The 18 county region of northwest Mississippi has experienced a population loss of 36,000 people since 1960.

Low per capita income, low job opportunities and low standards of living continue to depress our region. In the Mississippi Delta, 31.9 percent of the people live below the poverty level compared to 12.4 percent for the United States. In the Mississippi Delta, 10 percent of the people lack complete plumbing as compared to only 2.2 percent on the national level. Our per capita income is estimated to be $8,409, as compared to almost $14,461 for the United States. It is further estimated that 51.7 percent of the households in our region have no husband present. The National figure is only 30.3 percent.

We view the Lower Mississippi Development Act as an idea that can have a direct and positive impact on improving the areas' economic growth and prosperity. It will take the cooperative effort of each of the seven Mississippi River Delta States with support from Congress to impact this economically depressed region.

Senator, I'd like to make just a few statements. I've worked. I've been involved with industrial and community development along the lower Mississippi regions, from Louisiana up to Missouri and Illinois. I'm on the Mississippi River Parkway Commission, which has the Great River Road. I've worked with the ports, the river systems. I've been a President of our local school district. I feel like I know part of its problems.

Briefly, I've been raised, educated and lived in the Mississippi Delta for most of my life. I feel that I have a great assignment to appear before this Joint Committee Hearing, representing over a half million people, to testify as to their needs. I'm proud to be a Mississippian, but not too proud to tell you this, and this Nation, that my people do need help.

I am convinced, after years of trying, that we cannot do it alone. The people in my area are putting racial problems and its associated ills behind, and are uniting to end, together, and to achieve a better life for all.

Flying up from Memphis yesterday, and I was going over my testimony, and I was going back on the history of our Delta Region, and thinking about its problems, and literally tears came to my eyes on the airplane. It's a unique situation in the United States. I've had the opportunity to travel over most of the world, representing industrial people, the United States as a whole. But our conditions are bad.

Our people at home have asked me to help, and I'm asking Congress and the Nation to lend a hand. The Delta people are workers. They're hard workers and they're loyal. They're loyal to this Nation. We're not asking for pure handouts, but a chance of oppor-

tunities for our young, and yes, old people to move up into the American dream.

The Mississippi Valley is rich in natural resources and human resources, but I feel like a strong, long-range plan crossing these State borders is needed to develop our resources. The Lower Mississippi Delta Development Commission can become the catalyst to do just that.

Thank you.

Senator BREAUX. Thank you very much, Mr. Dean.

I'd like to welcome our next witness who is from Louisiana, and is the Mayor of the City of West Monroe, which is sort of right, dead smack in the middle of the area that we're talking about, as far as northeast Louisiana is concerned. In addition to being mayor for a decade of the City of West Monroe, Dave Norris is also an economics professor, so he brings a political sense, Dave, as well as a political and economic sense to this particular problem. We're delighted to have you come up, and look forward to your testimony. Dave Norris.

STATEMENT OF HON. DAVID NORRIS, MAYOR, WEST MONROE, LA

Mayor NORRIS. Thank you, Senator Breaux.

I guess, like everybody else, I got a statement put together and as I sat here and listened to the Governors and other experts talk about the economic statistics, I scratched off the ones that had already been mentioned, so I wouldn't mention them twice.

Let me just tell you why I'm optimistic about this bill, but I'm not as optimistic about the future of this region unless something is done about it. The mayors are supposed to say, this is a great place, bring your plant here, we've got everything that you need. But there are a lot of things that are behind the statistics, if you look at them very closely, that indicate that that may not be true.

There's been a lot of talk about per capita income in my part of the State—or in the whole region—but in my part of the State, and I'm talking primarily about eight parishes in Louisiana, four on the river and four right behind them. Back in 1980, we had been making some progress in those parishes, and the per capita in that eight-parish area was 61 percent of the National Average. And that's not very high. Today it's estimated that it's 52 percent. So in six years we've lost almost 10 percent in what we had done in trying to catch up with the rest of the Country.

In every parish in northeast Louisiana, in the Delta Region, in every parish there was an out-migration of both blacks and whites from 1970 to 1980, except for two parishes, there was not an out-migration of Whites. Anytime you have an out-migration in an area, you're losing the people that have the ability to go somewhere else. They're either looking for jobs, or looking for better housing, and those are the people that you need to keep. You're leaving behind the older people, or the very young, or people who don't have the capacity to move out of the area to try to find better things. And this further impoverishes the area.

The unemployment rates in my part of Louisiana are astronomical. We talk about Louisiana being number one in the Nation in unemployment. The rates in northeast Louisiana double the State

rate very often. But that doesn't even tell the story. The number of discouraged workers who have dropped out of the labor force, because this is chronic unemployment. These are people that have been unemployed forever. And chronic unemployment leads to people dropping out of the labor force, therefore, they're not counted as being unemployed. And we haven't even talked about the problem of under-employment. We have a parish in northeast Louisiana where only a third of the males who have jobs have jobs year around, and fulltime employment. To me, that's just unbelievable.

The illegitimate birth rate in northeast Louisiana, I think, is symptomatic of what's happening there. We have—Louisiana has a terribly high illegitimate birth rate, about 30 percent, but we have two parishes in northeast Louisiana that have illegitimate birth rates over 60 percent. One has an illegitimate birth rate of 65 percent. That tells us that the family unit is just—has been devastated by what goes on there. And these are things that are increasing. The illegitimate birth rate was nothing like this 20 years ago in this area.

The infrastructure—if we're going to have industrial development, we've got to have an infrastructure. Sixty percent of the bridges in northeast Louisiana Delta area are considered to be obsolete, or inferior, according to the State Department of Highways, 60 percent of those bridges. Banks are an important part of the infrastructure if we're going to develop economically. I don't know what the situation is in the rest of the Country, but banks in Louisiana are not going to be able to play the role that they historically have in economic development, unless we have, through this bill, some programs that give some loan guarantees. Because banks all over our State are in trouble financially, primarily I suppose, because of the twin crisis in agriculture, and the oil crisis. Of course, the savings and loans won't be able to help us at all.

This part of our State doesn't have a tax base. The average value of owner-occupied houses in northeast Louisiana, in this eight-parish area, is half what it is in the rest of the State. When you combine the facts we don't have a residential tax base, or the fact that the value of farm assets has diminished tremendously just in the 1980's, we don't have the ability to do a lot for ourselves in terms of taxing ourselves to make these improvements.

Some people might ask why the Federal Government—in the last few years it's become very popular to say, the Federal Government, if they'll get off our back and out of our pocket, everything will be okay, and a lot of problems will go away. I don't think there's any doubt but the Federal Government has got to help us in this regard. Back in the 1960's and 1970's local government tried very hard, and is still trying, to get involved in economic development. We had, in our community we went out and hired industrial—I don't know, we called them buffalo hunters back in those days. I don't know what they call them today—but folks to go out and say, look we need you to come, we want you to come into our area. That's back when we had EDA helping us put together industrial parks. It's back when we had block grants of sufficient size to help make improvements to get some industry in our area. And we had some success.

But what we told people was, we've got low taxes. We've got cheap labor, and we've got cheap land. So we got low scale jobs that paid very low wages. When we had the high dollar, the very strong dollar, followed up by international competition and wages, we lost all those jobs, primarily in the garment industry, and in the textile industry. So, I'm not as optimistic about our ability to attract new industry until we show them that we've got something.

The idea that a rising tide lists all ships, that's been a popular expression in some people's minds, that if we can just get the national economy going like we want it to, these regions of the Country are going to come around too. That's not been the case in the 1980's. We're getting further behind in northeast Louisiana Delta parishes in the 1980's then we were in the 1970's.

Two points about the bill—or one point about the bill specifically that I'd like to make. The time frame for the bill is to produce a report one year after the commission has its first meeting. To me, that seems like too short a period of time. I would think if you could extend that time frame to 18 months or two years, one of the big advantages would be you could take advantage of census data that is going to start being collected. And that's one of the things we need. We need to know what's happened from 1980 to the 1990 census. And that would give us a chance to take advantage of that information and not duplicate it and collect it twice.

But I would say, that without this bill, things are not going to get better in this area, they're going to get worse, we're going to get further behind, and the possibility exists that someday very soon we will have a permanent part of the United States that just won't have the advantages, won't have the opportunities that the rest of the United States has, and that distresses me deeply. I've lived there all my life, and I have a very sincere interest in seeing something happen.

Thank you.

Senator BREAUX. Thank you very much, Dave, for a well spelled out statement.

Next, we'll hear from Ms. Mary Doggett. Ms. Doggett, I feel like I know you already from all the nice things that were said.

STATEMENT OF MARY DOGGETT, ECONOMIC DEVELOPMENT SPECIALIST, SIKESTON DEVELOPMENT COUNCIL, SIKESTON, MO

Ms. DOGGETT. Thank you. I really do appreciate the opportunity to be here and I hope that I will be able to reflect a slightly different insight into the problem here because of my professional current status, somewhat above and beyond those things that have been said about me here today. But, because I do actively work in economic development, I think I may have a slightly different, but a supportive attitude for most of all the other things that have been said. And I'm going to try to stay away from a lot of statistics, because I think we've already maybe been saturated, and I think that you have already been provided with that.

But I would like to carry to you the support for this bill from the grass roots of southeast Missouri. We work very closely together as professionals. Most of us are wearing maybe two or three hats. A lot of areas in southeast Missouri are attempting to do their eco-

nomic development through Chamber of Commerces. In Sikeston, Missouri, which is in Scott County, and almost exactly centered north to south in the identified areas for the State of Missouri, we do work very closely with each other. And I would also like to express the support of the Department of Economic Development, the Director being Carl Koupal, from the State of Missouri. He feels that this bill has a lot of merit, and would like to express those sentiments.

The Sikeston Development Council, by nature, is rather unique I think. As I've traveled around the Nation, and I've been on one trade mission with Governor Ashcroft to the Orient since I've held this position, I think that Sikeston, Missouri maybe is not in one of the more depressed areas of the region. We have had some long range visions. We built our own municipally owned power plant and it went on line in 1981. That's a real attraction for industry. The creation of the Sikeston Development Council, itself, is an exact and totai mix of the public and private sectors. My budget comes one-half from the city government, and one-half from a funding arm of the Chamber of Commerce. It provides assistance to those people that are looking at us to entertain the idea of locating new businesses there. It gives those opportunities for information to come out of one central spot. And while I was on the City Council, we deemed this very appropriate. And it was a very needed move, and we took it, and I think it's serving the community very well.

One of the things that we've been able to do because of our lower electrical rates in relationship to other areas of the State, has attracted a new industry that will open its doors. It's a state-of-the-art brass mill that will employ 90 people, and we expect it to be actually producing brass with the alloys that make up brass the first of October. Those are good jobs. Those are good paying jobs. They are not low income, or the lowest of incomes.

So I think our city has maybe been a little bit out in front. But that's not to say that the area of southeast Missouri doesn't have some very deep pockets of need.

I would like to emphasize from this standpoint what I believe, and my counterparts that I met with on Wednesday night last week in an attempt to get a feel for what they would like for me to tell this committee, and it is that we want to be very much an active part and participant of such a study. That Government from Washington and State Capitols can provide help, and we're here to ask for serious consideration in the implementation of this bill, Senator Bumpers. But we feel that you very direly need our input, that working on the professional basis, we do see things with a different set of eyes. So we solicit your attention to trying to implement this act with commission members that at least partially would reflect what it's all about out there when you're really working in the trenches and on the firing lines. I think the Mayor has expressed some of those sentiments.

But when you're talking to industry around the Nation and around the world about why they want to locate in southeast Missouri, or northern Arkansas, or any of these areas, many times they don't view us in a very positive light. We really are the backwoods of the Nation, and when you talk to a corporate head in

New York City that's not been near the Mississippi River, they really do not have a very good concept of what we're all about, and why we might be a good place to be if they would just take a look at us. So we do need some enhancers, or some help along those lines.

And as I have said in my written testimony, it's kind of hard to separate the chicken and the egg concept here. If you have more industry, if you have more business, it brings more revenue so that you can do all the great things of providing better education and quality of life that's necessary. I'm a real strong advocate of more community colleges, and technical and vocational schools. Just Friday of this last week, after a rather concerted effort in our area to bring another community college to that part of the State it was brought to my attention how much we need one. Just this summer with a State University from the other side of the State offering summer courses in Sikeston, Missouri on a one-time announcement in the newspaper, there were 43 people showed up to enroll in those classes at a one-time session for enrollment. Now, that, I think, makes a real strong statement that more local institutions need to be there to serve the needs of the people that cannot afford the time or the money to travel even the 45 minutes to a traditional university.

I would like to mention, as one real top priority in my opinion, is a better transportation-artery system. As an example, in our part of the State there's a U.S. Highway 60 that feeds directly into Highway I-57. That road is being improved in just bits and pieces. But as Senator Bond knows, there are areas over in the central part of the southern part of the State that's included in the identified areas, that are still nearly as isolated today as they were 30 years ago. U.S. highways certainly need to be connected links for transportation. If you live in Kennett, Missouri, which I think these folks from the States south of us can relate to, the statement, "you can't get there from here", is pretty much true. There's no direct link out of Kennett, Missouri to the center part of the United States or the State of Missouri. So, I think that with some help, and with some additional planning for better transportation arteries, the area would benefit a great deal.

Cities such as Poplar Bluff, Missouri has recently been fortunate enough to attract a new Briggs and Stratton Plant, but their corporate jets can't land on that runway because it's too short. So there are lots of areas that I think the Federal Government maybe can give us some gap help in, that is tying up the loose ends of those good things that we obviously have going for us.

Let's consider basic education, and there's been lots of things said here today about education needs. The illiteracy is appalling in those areas. And there are some very deep pockets in southeast Missouri that have some great needs. But the ability to read and write your name is not enough, and there's a lot of experts writing today that functional literacy is the goal. If you can't use your ability to read and write your name, you haven't done much for these people. So it has to go beyond just the bare necessities of education. And in addition to that, I've already mentioned that we need a wider spread of vocation schools and community colleges.

The Lower Mississippi Delta, as we've already talked about today, is obviously a unique region. And by a unity of effort I think that this bill will provide some real help. One area that I'm very pleased to announce that is serving our area very well is the Small Business Development Center at Southeast Missouri State University in Cape Giradeau. But that's one person trying to assist small businesses in a very, very large area. It's the kind of hands on technical direction that small business needs. Those people are pretty isolated. They isolate themselves, and they're isolated by the sheer nature of what they're doing. So I think that more interest in providing technical, direct, hands on, one-on-one, help to small business development would be something that should be considered.

One other area that we've heard discussed here today is the fact that some of these areas that we're talking about in this seven-State region, has for one reason or another a very low tax base. And in our part of the Country, there's an awful lot of Federal land that's been put into national forests. And that's wonderful, and as an environmentalist by nature, I'm pleased to see those things being taken care of. But it also reduced revenue for law enforcement, as well as other areas. And I don't think that has been touched on much today. But, as Senator Bond knows, we have some real problems over in that, south central part of the State of Missouri. Marijuana growing is a real great cash crop in that part of the State. There's not enough law enforcement to take care of it. And I think that such as in Iron County there's 28 percent of the county in Federal land. It certainly does reduce the tax base. And I'm not recommending that we shouldn't have done those things, but I think there should be some economies of scale throughout law enforcement. And I think that the traditional small county, and every small municipality has their own law enforcement, maybe could be improved upon with some suggestions and recommendations.

So that pretty much, in summary, is an outline of what I think a commission such as this, and a study such as this could do. We need, certainly, large employers but we need help for the small business person. I think most experts agree that about 70 or 80 percent of all jobs are created by people that employ less than 20. And that's, you know, a real strong statement related to needs to help small business.

So in conclusion, I think if you help us provide for the basic needs of the people of southeast Missouri to prepare themselves to help ourselves, we will have some facilities that are properly equipped. It will serve as a calling card. I keep saying in my work day statements as to why we built a spec building. Even if all of those prospects that I've shown that building to in the last 18 months, if none of them buy the building, it has attracted them to Sikeston, Missouri. We need those calling cards in southeast Missouri to bring in those interested businesses. But we must have good highways, we must have good infrastructure, and we must have functionally literate citizens.

And one thing I've left out and I don't want to miss, is the recognized need of providing for sanitary landfills and sewage disposal. That's becoming a very, very distressful problem. And I think the

whole seven-State region, certainly has that one thing in common and our concern about what we're going to do with it.

So I think as you folks continue to look at this bill, and I strongly recommend its approval, I believe that you're dealing with a very proud group of people in the seven-State region that would appreciate your assistance and want to help themselves with your help. Thank you.

Senator BREAUX. Thank you, Ms. Doggett.

Next we'll hear from Dr. Vinson.

STATEMENT OF RHONDA J. VINSON, DIRECTOR, OFFICE OF ECONOMIC AND REGIONAL DEVELOPMENT, SOUTHERN ILLINOIS UNIVERSITY, CARBONDALE, IL

Ms. VINSON. Thank you, Mr. Chairman, and committee members. I was asked to speak on rural economic development in general, and to evaluate whether this commission will meet the needs of our Delta counties. And I do appreciate the opportunities to do this.

Economic development is a personality driven phenomenon, dependent on the long-term commitment of many players. To be successful, it must include a matrix of components operating all at the same time. It depends on the strength of local people like the development council person in our region who pounded on the table at a region-wide meeting and said, "Folks, if we don't get off our duffs, we'll never get on our feet." Her comment moved a 20-county effort to improve the economy of southern Illinois.

I think similar scenarios have been repeated across the Delta counties, where local people have decided to go into partnerships to achieve improvements. I see much effort of this local motivation. Officials in a Mississippi county are working with university officials to form a research park to bring in R&D type firms. Agreements are being made between private corporations and universities in Arkansas to operate small business incubators. Universities are forming inter- and intra-State consortiums to address such topics as reclamation, aquaculture, and the forestry industry.

In my own region in southern Illinois, representatives from the utility companies, education, local government, State agencies, banks, businesses, and industry have merged resources to increase the number of small manufacturing firms and the tourism business, which is one of our main focal points. Projects of the Southern Illinois Coalition have included development of regional brochures; a marketing video in English, Japanese and Korean; two marketing trips to Korea with the cost covered by individuals going; targeted mailings to industries; a two-day showcase to focus on products made in southern Illinois, and many other things. Leadership comes on a totally volunteer basis, from public and private sector.

With the average unemployment rate in the southernmost 11 counties at 16.1 percent with the highest county being about 22.7 percent, with an average 22.4 percent of the population over 60 years of age, and the average education level below eleventh grade, we have complex barriers to overcome. Agriculture and coal production have driven our economy, but there have been drastic

changes in both of these areas. As an example, Williamson County had 57 mines in 1950 with 2,586 miners. In 1984, only five mines remained, employing 795 people. Now, ironically, productivity in the mines has gone up. But this profit is not staying in southern Illinois to balance out the loss of those positions.

Our problems are not unlike the rest of the Delta counties. Unfortunately, there are several other barriers that add to our problems. Many people here today will be subject experts speaking on them, so I will go over them briefly.

The first is education and training. Any competitive edge the U.S. holds in this world market is because we're a creative population. A region with a population holding less than a twelfth grade education cannot hope to compete.

Health care is the second area. The southern seven counties in Illinois have no obstetrics care. This and other similar reductions in rural health care services will not help entice new industries into those regions, nor will it help save the industries that are there now. We have a lack of primary care physicians, low Medicare and Medicaid reimbursement rates, an increasing share of patients who are simply unable to pay for services. High insurance premiums for physicians and hospitals impact both rural and urban health care industries.

The third area is communications. It's difficult to imagine fiber optics and state-of-the-art communications coming to our area when some of our utility people and our communications people don't have those plans in mind. So we need to do something in that area to attract the information industry and to help make our existing industries more competitive.

Transportation is the fourth area. Citing the recent 1000 barge backup on the Mississippi River isn't really a fair example today of our transportation capabilities, especially in our region with the Ohio and the Mississippi River. However, it does point out that reliable, consistent transportation is crucial to our economy. A lack of affordable and reliable air transportation plagues rural development in our area.

The fifth is technology assistance. Assistance for start-up businesses has been enhanced through the SBA's Small Business Development Centers. However, these new businesses that they have started, as well as businesses already existing in our region, will need technical assistance to expand their product lines so they can stay competitive in their marketplaces. I think universities should be encouraged to expand, or even in some places to implement technology transfer programs, or something along the line of the agricultural extension services from the Land Grant institutions, looking at technology extension services.

A sixth area that we haven't mentioned much today, but it's very crucial is something I call creative financing. Start-up technology businesses in our area find it more difficult to borrow $5,000, $10,000, or even $100,000 than to borrow millions. The SBA loan program has been helpful but incentives need to be found for local bankers to invest in new businesses, even though they may be a little bit higher risks. I think there are ways to do this. We can combine creative financing with the State, Federal and local programs that already exist, and do a little leveraging here.

Seventh is venture capital availability, closely relating to creative financing. Investors tend to invest in projects within the nearby area. And for urban centers where the pool of investment or venture capital money is easily identifiable, this not a problem. However, with the rural environments where projects do exist, the need for venture capital money is very, very strong. Because of the lack of proximity to the projects, urban people have a very, very small interest in coming into the rural areas to invest. There's also a lack of understanding in rural areas on how to establish venture capital pools.

The final area that I will mention is infrastructure development. Federal and State dollars to provide sewers, water lines, streets and roads, and utility access have decreased at a time when smaller towns are most in need. In addition, the matching requirements needed to put in this development actually handicaps the city's ability to have some flexibility in their development activities. In addition, the systems that are installed are barely adequate to handle existing needs. I think of this as pretty much a band-aid approach to infrastructure development.

While it may seem that the economic development of those across our region cannot ever balance this list of barriers, and unfortunately there are many, and other barriers that I haven't mentioned, there is some hope. I remarked earlier that economic development is a complex phenomenon that, to be successful, requires a matrix of components. These components include the availability of appropriate information for us to conduct strategic planning and decision making, appropriate resources to implement action plans, and the final is people and partnerships.

I believe the Lower Mississippi Delta Development Commission plan has the ability to provide cohesion across our regions. All of us have various pieces of the resources it takes, but none of us have the complete picture.

The studies proposed by the commission will provide the information that we need to better target our efforts. Of course, I couldn't go without saying that the universities and colleges in our regions would be available to assist with these evaluations.

One of the most encouraging duties of the commission is the evaluation of existing Federal, State and local programs to fine tune and to do something about the accuracy of reporting. I think the most benefit will be gained by looking at these existing programs and helping them evolve, so they can continue to meet our needs.

The strength of this bill is that it is designed to enhance, compliment and join with what already exists across our regions. I think when we all join together and take advantage of the spirit of the people in our region, we'll surely get back on our feet. This commission forges a partnership that will generate what I would call the winning formula of information, plus planning, plus resources, which I hope will equal action and more successful economic development for us.

Thank you.

Senator BREAUX. Thank you, Dr. Vinson, for your testimony.

Next, we'd hear from Mr. Williamson.

STATEMENT OF BOB WILLIAMSON, EXECUTIVE DIRECTOR, NORTH CENTRAL PLANNING AND DEVELOPMENT DISTRICT, WINONA, MS

Mr. WILLIAMSON. Mr. Chairman, and members of the committee, my name is Bob Williamson, and I'm the Director of the North Central Mississippi Planning and Development District in Winona, Mississippi.

We're a member of the National Association of Development Organizations [NADO] that I represent today. My agency in Mississippi serves seven counties and 27 municipalities, all of which are in the Lower Mississippi Delta Region. I would like to thank you for inviting NADO to be present at the hearings today. Our members are aware of the leadership you are providing toward a better understanding of the needs of rural communities. We are pleased to take this opportunity to comment on the challenges facing rural America, and particularly the needs of the Lower Mississippi Delta Region.

NADO was founded in 1967 by a group of economic development districts to encourage the creation and retention of jobs in rural and small metropolitan areas. Today our members are multicounty planning and development district organizations as well as other State and local agencies which help local governments and private sector work together on business, community, economic and rural development programs. With a small Washington staff and a strong grassroots network NADO carries out a number of information training and service functions.

NADO members serve rural and small metropolitan areas across the Country. In the areas where our members work, they are concerned about the economic well-being of a substate region rather than a single jurisdiction. These development district staffs provide practically the only professional hands on assistance to governments, businesses and citizens in rural areas in the field of economic development. By working cooperatively through development districts, local governments and the private sector can maintain and create jobs with an increased opportunity for support from Washington and maximum local participation. Development districts have become an essential part of the institutional infrastructure of rural America.

For small metropolitan and rural communities, the Economic Development Administration, the Appalachian Regional Commission, Farmers Home Administration, the Small Business Administration and the CDBG Block Grant Program are the Federal programs which have been of the greatest value. Since the proposed Mississippi Delta commission would focus on regional economic development, we will focus our testimony on similar and relevant programs.

We fully support the findings stated in Senate Bill 2246, which includes a call for concerted Federal, State and local efforts. I would say that I'm not going to get into the need and the statistics that have been so adequately and correctly stated by the previous speakers. I would like to say, in addition to everything else that has been said, this area or at least the Mississippi areas is in the

midst of one of the worst droughts in the recent history, which is going to compound the problem.

NADO concurs that the creation of jobs and expansion of small business offer the greatest hope for economic growth and revitalization in the region. In our experience the most valuable Federal development programs are those which make possible planning and technical assistance, infrastructure improvement, and encouragement for the financing of small businesses. Of course, education, health care, transportation, housing and other services play an important supporting role in economic revitalization.

There are several interesting models for multi-State regional development which may be appropriate for the Lower Mississippi Delta. These include the River Basin Commission authorized by title II of the Water Resources Planning Act of 1965, the Economic Development Commissions authorized by title V of the Public Works and Economic Development Act of 1965, and Federal-interstate compacts. However, I would like to single out for comment the Appalachian Regional Commission as a very, very successful regional approach to multi-faceted economic development.

First, like the Lower Delta, Appalachia is a multi-State region bound together by similar economic needs. Second, the ARC approach embodies the stated goal of this bill, the close cooperation of Federal, State, and local governments. Third, the approach in Appalachia has been inclusive of many programs, including small business development, job creation, transportation, health care, housing, and so forth.

From my perspective as a 20-year veteran of regional economic planning and development, Appalachia makes sense because it encourages local decision making yet involves the State and Federal government in the allocation of funds. Economic development districts, or local development districts as they are called in Appalachia, play a strategic role in assisting local governments set priorities, develop plans and define their needs. The regional entity has the expertise to help a multi-county area move toward a better economic future.

The planning and development districts and their counterparts throughout the Nation, which are called by many different names, are voluntary associations of local government. And these organizations are normally created by local officials to address common problems and issues in a collective manner versus acting independently. In several States, such as Mississippi, and most of the Lower Mississippi Delta Region, the planning and development districts are especially important because they provide a cumulative resource that most communities cannot individually support. These organizations also provide opportunities for State, Federal and local governments to come together in a partnership to address common goals and issues. This helps to eliminate overlap, gaps and conflicts.

While improved economic development remains the central theme of most planning and development districts, these organizations are very flexible and can adapt very quickly to meet the ever changing needs in the area in which they serve.

In summary, we fully support the idea of a multi-State regional approach to the needs of the Lower Mississippi Delta. However, we

would urge that the study commission be broadened to include an equitable representation of local governments and regional planning districts or councils. We believe that local governments are the backbone to this Nation. It's the government closest to the people and the officials are answerable to their constituents almost on a daily basis. In many rural areas the districts have become an extension of local governments. If there is to be a concerted effort by all levels of government working in partnership, this cooperation should be implemented from the very beginning of the Lower Mississippi Delta Region on study to assure maximum results.

Thank you for inviting us.

Senator BREAUX. I want to thank all the panel members for their statements. I think you all have very clearly set out the problems in your respective areas, and also indicated to the committee what your people back home are trying to do, and are in fact accomplishing in many areas, to help alleviate the problems. You're not just sitting back waiting for somebody from Washington to come up with a solution. I think that the testimony indicates that some great progress is being made, but I think everybody has endorsed the concept of this legislation.

Let me just ask a question regarding the concerns I have with the composition of the commission. The legislation provides for nine members; the Governors of each of the seven States appoints one member; that will give us seven, and the other two members are appointed by the Administrator of SBA, and the President. There are no qualifications in the legislation for any of the appointees. We don't specify that one should have expertise in economic development planning, or in educational backgrounds, or in any particular specified areas. It's totally open ended. My question is, do any of you have any thoughts about how we should nail down the qualifications, if we in fact should? Does anybody have any thoughts on that?

Mayor NORRIS. Senator, one thing, if we start talking about we need an educator, and we need a business man, people start advocating their own specialty very strongly, and it turns into a little bit of a power play there. As long as they're intelligent, capable people dedicated to trying to improve the situation, I don't see that we ought to specify that we ought to have certain areas necessarily represented.

Senator BREAUX. I guess a problem we have is that if it just happens that all seven of the Governors ended up appointing the same type of person right across the board, there's very little room for diversity on the commission. If we have seven appointees from the governors who are all specialists, say in agricultural economics, it would seem that we've touched no other areas of expertise. It may be that the Congress could look at the nominees and approve them, perhaps that would assure a more diverse commission.

I'm just trying to figure out the best way to do that.

Ms. DOGGETT. I think Governor Clinton made a pretty good suggestion, that maybe through some real close networking, or work together with the seven governors, so that within that group there's some diversity.

Senator BREAUX. We all agree that there should be some diversity on the commission.

Ms. DOGGETT. I do.

Senator BREAUX. Maybe we could specify that in the legislation. Not necessarily that you have to have two economists and two ag specialists, or someone specializing in transportation, or health, but some kind of a diversity requirement that would have to be reflected in the nominees.

Does anybody else have any thoughts?

Yes, sir, Mr. Dean?

Mr. DEAN. Senator, I would think that also anybody who serves on this commission should study the other areas of the Valley, should understand it, because the problems are pretty well the same throughout the Valley. But I think they need to be able to study it and have time to study it, and make sure that they understand the other areas.

Senator BREAUX. Well, I think that your suggestions have been very helpful. You're the type of people we'd like to see on the commission. People with diverse backgrounds.

We'll excuse this panel. There may be some additional questions submitted to you, and, if so, we'd like you to respond in writing as soon as possible. With that, I know you've traveled a long way, and we thank you for being with us. Thank you very much.

I would announce that there is a recorded vote on. The next panel members are welcome to come up and take their seats and when Senator Bumpers returns, we'll begin—here he is right now—with the next panel. If they would come up and take their seats, we'd welcome David Mohre from Cajun Electric; Mr. Rodney Slater, Arkansas State, Dr. Joycelyn Elders, Arkansas Department of Health; Dr. Ken Wyatt, Delta State University, and Mr. Nimrod Andrews from Louisiana.

Gentlemen and lady if you would take your seat, and let's just pause for a moment and when Senator Bumpers comes in we'll continue the hearing with this panel.

Senator BUMPERS [presiding]. Mr. Mohre.

STATEMENT OF DAVID MOHRE, CHIEF EXECUTIVE OFFICER, CAJUN ELECTRIC, BATON ROUGE, LA

Mr. MOHRE. Thank you, Senator, and members of the committee. My name is David Lee Mohre. I'm the Chief Operating Officer and Chief Executive Officer of Cajun Electric Power Cooperative. That's a $3 billion transmission and generation company that supplies electric power to 80 percent of the State of Louisiana. It serves approximately a million rural consumers in that area.

I've been in the utility industry for about 25 years, 20 of which with investor-own and cooperatives, and I've spent five years managing Federal policy research and regulatory programs related to the electric utility industry with specific focus on ensuring the adequacy and reliability of the Nation's bulk power system, and enforcing the Federal Power Act, the Public Utility Regulatory Policies Act, and the Industrial Fuel Use Act.

My purpose here today is to strongly support the creation of the Lower Mississippi Delta Commission. My perspective is not one of an academician, a statistician, or a reformer. But my perspective comes from driving weekly, often several times a week, through

this region because we supply electricity in these areas. Specifically we supply electricity to 33 of the 40 Louisiana parishes mentioned in the legislation. Sixteen of my twenty-six Board members reside in the parishes mentioned in this particular legislation.

And although we've been inundated by statistics, I'd like to give some perspective on the problems in Louisiana, and I will make this brief. In terms of lost jobs, the State of Louisiana lost approximately 150,000 non-agricultural jobs since 1981. Six percent of those jobs were lost in urban areas, but 12 percent in rural areas. In terms of total employment, while the Nation at large experienced about a 10 percent growth in total employment over the period 1981 to 1987, in rural Louisiana the employment growth was one-fortieth, one-fortieth of that rate, making the employment growth in rural Louisiana almost unmeasureable over that period.

You've heard a lot about unemployment rates. We supply 44 of the 45 parishes in Louisiana that are designated as rural. In 43 of those 45 parishes the rate of unemployment exceeds twice the National Average, and in two out of every three, the rate of unemployment is three, four, five and six times the National Average. Not surprisingly, those were the worst unemployment rates that are in the Delta area.

You're well aware that the poor economic conditions in this region has resulted, particularly in Louisiana, in a major decline of per capita income. We have only two parishes in rural Louisiana where the per capita income is in excess of 75 percent of the National Average. And in two counties in rural Louisiana, it's far less than 50 percent of the National Average. That's an incredible statistic. Since 1980 Americans have experienced an increase of 10.5 percent in real income, while the rural people of Louisiana have experienced an 8.1 percent decrease, in per capita income.

In most of the rural parishes in this Delta Region, in Louisiana, the percentage of people below the Federal poverty level is three to four times higher than the National Average of nine percent. I've heard a lot about misery statistics, misery index, I think those numbers speak for themselves. One of the major problems in economic development in this region, as we see it—and again we're very involved in this region because we supply electricity to it—one of the major problems is education. And Senator Breaux mentioned that Governor Buddy Roemer couldn't be here today because he was fighting for his reformation of educational system in Louisiana, and I use the term reformation because it is, I know, a religious issue with him. He approaches it with religious zeal.

We have 42.3 percent of the population of Louisiana over 25 years of age without a high school education. Many third world nations are better than that. In May of 1986, only 62 percent of those who should have graduated from high school, graduated. Our new governor has made it his number one priority, but obviously it's going to take time, and meanwhile as time slips away, jobs for those who are less educated with lower skills, are moving overseas, have moved overseas.

One of the principal problems that I see with economic development is the erosion of the tax base during these terrible economic times. The people who run our State and local governments simply don't have the resources to develop the infrastructure that's

needed to solve the problem. We need highways. There is not a north-south highway in Louisiana, a four-lane highway. That's an incredible thing. But it's very hard to deal with these kinds of problems if you don't have any money. One of the parishes in this Lower Delta Region, Tangipahoa, recently had to shut off the lights in City Hall because they didn't have enough money to pay the light bill. Now that gives you an indication that these people really don't have the money for the development of infrastructures or to do the marketing necessary to get out there and attract industry. They need help.

As far as capital formation, there is a terrible problem for non-agricultural capital formation of rural areas at any time. In this particular day and age, particularly in the Lower Delta Region, it is a catastrophe. The problems in Louisiana with energy and with agriculture have rubbed off on the financial institutions that are closely tied to these sectors. In 1987, 14 banks closed in Louisiana. The third highest number of bank failures in America. The bank failures in the four energy producing States accounted for 60 percent of the bank failures in the Nation. And the bulk of the remaining bank failures came in those States where they have a dramatic concentration of agricultural production, also Louisiana.

In May of 1988, the States of Mississippi and Louisiana were hard hit by the failure of the Jackson Federal Land Bank. During the first quarter of 1988, this bank attempted to stay solvent by selling off almost 100,000 acres of productive rural farmland in Louisiana and Mississippi. It did not work. The bank has failed and has been liquidated, as I'm sure you're aware. But the problems of the region's rural financial institutions are simply indicative of the suffering that goes on in this region, and particularly the farming corridor of the Lower Mississippi Delta.

As far as the rural/urban shift that one of the panelists on a previous panel mentioned, this is going on continuously in Louisiana. The people that can leave the poor rural parishes do leave. And they find jobs. The problem is, who's left? Who's left generally can be characterized, from our demographics, as being much poorer, less educated, minority, less skilled, elderly, and the children. In short, they're as least likely to be able to help themselves. And the local governments cannot help them because of the erosion of the tax base. It is not, as someone said, a pretty sight.

Now, one of the things I was asked to do today was to speak on the issue of power availability in this region. And I can say there's good news and bad news. I think I can say without fear of contradiction, that the majority of the impacted seven-State region has more than adequate generating capacity, has more than adequate transmission capacity, although, quite candidly, there are some impediments to moving power from one area of the region to another. I think these can be solved, particularly with focus of the commission of this sort. And I'm sure there will be isolated additions to the transmission system that are needed to supply, for instance, major industry, if we can attract major industry to these regions. But that is not a problem. I believe that Cajun and the cooperatives and investor-owned utilities supplying power in these regions can easily handle, and are well positioned to handle the most optimistic forecast of economic development in these areas.

I'd like to add another point at this particular junction, and Rich, if you will put up that.

[Showing chart.]

Mr. MOHRE. Here is an outline of the Lower Mississippi Delta Region that the legislation is designed to help. And we looked at it, and we see, obviously, Louisiana, Mississippi, Arkansas, Tennessee, Kentucky, Illinois and Missouri. And I've already said that there is power availability in this region.

Would you take that down?

[Showing second chart.]

Mr. MOHRE. Here is the same chart, but filled in with the counties and parishes of this region that are supplied electric power by rural electric cooperatives. In fact, 180 of the 196 parishes mentioned are served electricity by member-owned not-for-profit rural electric cooperatives that were set up to supply power to rural areas. I want you to think about that for a minute, and I'd like to come back, because I have a suggestion to make to the committee with regard to the selection of the type of people who are going to be on the Delta Commission itself.

Now, I've said there's some good news in the area of power availability. There's some bad news too. Many of the States in this region were hit by a rapidly increasing demand for electricity during the 1970's. We were hit by the Industrial Fuel Use Act that made us invest in new coal and nuclear generation to get off natural gas. And as a result of this and the economic downturn, we wound up with helping to solve the Nation's energy problem and billions and billions of dollars of investment that have to be repaid. Quite candidly, the cost of electric power in these regions is not exactly low compared to per capita income of the residents. And this is a problem that is going to have to be addressed, I believe. And I believe cruelly, that particularly in Louisiana, the burden of the Nation's energy policy, or the then energy policy, has fallen on these rural people, many of the people you are specifically trying to help with this legislation.

I believe there's also an opportunity here, as the chart indicates. Over 92 percent of the parishes and counties in this region are supplied by rural electric cooperatives. Recently, the Congress and the President signed into law a rural development bill which allows rural electric cooperatives to provide a source of capital for economic development in these areas. They can provide up to 15 percent of their own funds, based on 15 percent of the total assets they have invested. That is an enormous pool of potential seed capital that the Congress and the President have agreed to already. And my suggestion is, that this could provide an enormous positive vehicle for an industrial and economic development in these areas. The Congress and the President have already agreed to it, and one of the key factors that you've heard from all the panelists is capital formation, particularly with all the bank failures in rural areas that we've previously talked about.

I think here specifically is just one example, a concrete example of how this coordination of Federal, State, local and private programs is needed. I think this is one of many. I'm sure the panelists here can cite others. But it's a critical one. It addresses a critical issue of capital formation.

My suggestion related to this is that the members consider adding the Deputy Under Secretary for Small Communities and Rural Development to this proposed development commission to help coordinate those efforts.

I've been in government. I've been in private industry a long time. I do not think, candidly, that a massive infusion of dollars will solve the problems. I think this panel, and I think the legislation is appropriate to try to coordinate the existing programs to get the job done. Now, we fully support this. We pledge that we will work with you, and I guess the bottom line is, we have to do something about the economic misery. As someone already said, these workers, these Americans will be needed in the future, and we have to do something, and we have to do it now.

Thank you.

Senator Breaux [presiding]. Thank you, David, for your testimony. I appreciate your coming up and being with us. I understand you have a Board meeting that you're trying to get back to, so if you feel that you need to absent yourself, please go ahead at the appropriate time. We thank you for being here.

Mr. MOHRE. Thank you, Senator.

Senator BREAUX. Next, we'd hear from Mr. Rodney Slater. Mr. Commissioner, glad to have you here.

Mr. SLATER. Mr. Chairman, Dr. Elders has a flight at 1:00 o'clock, and I would ask the committee's permission to——

Senator BREAUX. Absolutely—be happy to do that.

Dr. Elders, thank you for being here.

STATEMENT OF M. JOYCELYN ELDERS, M.D., DIRECTOR, ARKANSAS DEPARTMENT OF HEALTH, LITTLE ROCK, AR

Dr. ELDERS. Thank you.

Mr. Chairman, Senator Bumpers and other distinguished Members of the Senate, I am Dr. Joycelyn Elders, Director of the Arkansas Department of Health. I'm here today representing the public health concerns of the Lower Mississippi Delta Region as encompassed in the Lower Mississippi River Delta Development Act.

I have spoken with the Public Health Commissioners of each of the states involved. My testimony represents not only my concerns but also their concerns for health in the region.

Mainstream America has changed. We've gone from cotton to synthetics, from hand farm labor to machines, and from assembly lines to computers. The Lower Mississippi Delta Region became arrested during these changes and is presently chained by the bonds of illiteracy, poverty and prejudice. This region represents a people that are slowly losing motivation, hope and courage. This bill, to do a study and bring before this Nation the condition of this region, represents at least a candle at the end of a very long, dark tunnel offering a glimmer of hope and courage.

My testimony today will focus primarily on health problems which threaten this fragile region. There are multiple problems which negatively impact the citizens in this region, but perhaps none more adversely than health. The health problems can be classified into three major categories: one, health care delivery; two, poverty and illiteracy; and three, a combination of the above two.

Much of the Lower Mississippi Delta Region is rural, and delivering health care in rural areas presents special problems, even in the absence of poverty and illiteracy. However, when we couple poverty and illiteracy with the obvious problems of rural health care delivery, such as maldistribution of health care workers, inadequacy of health care facilities, lack of organized primary and preventive health services, problems with transportation, questionable quality of care, even when it is available, and lastly, the economics of financing health care to rural areas, you can appreciate the magnitude of the problem in the Lower Mississippi Delta.

First, let me speak about the distribution of health care workers. In Arkansas, 72 of the 75 counties are designated as fully or partially medically under-served. Thirty-six areas of the State are considered health manpower shortage areas. The soaring cost of medical liability insurance, the high rate of unemployment which results in fewer patients with insurance, increased financial distress, the closings of small hospitals, and a lower rate of medical reimbursement for rural providers, further burden a health care system that has been chronically inadequate to meet the needs of those most needy.

More U.S. hospitals closed in 1987 than in any other year during the decade. One-third of the closings were concentrated in four States in the Lower Mississippi Delta Region. The availability of basic health care is essential for business and economic development. When communities cannot attract physicians and keep hospitals open, they lose a key element for attracting and keeping industry. In small rural communities, the physician to population ratio is less than one-third of the National rate, being 53 positions per 100,000 for rural areas, and 163 positions for metropolitan areas.

One-quarter of all Americans live in rural areas. Farming is one of the most hazardous occupations in America. Yet, 42 percent fewer health dollars, and 50 percent fewer social service dollars are spent per capita in rural areas than the average. Medicare implementation of the Prospective Payment System in 1984 resulted in Medicare paying rural hospitals overall 36 percent less than urban hospitals for the same service.

The Lower Mississippi Delta is not without its urban areas struggling to deliver health care to large numbers of low income people with little or no insurance. Forty-five percent of Tennessee's Medicaid eligible population resides in Memphis and Shelby County. Medicaid coverage itself poses a problem in Arkansas and Mississippi, where some physicians won't accept the often low and delayed Medicaid reimbursement.

The United States has the highest teenage pregnancy rate among developed nations in the world. Within the United States, the 10 States with the highest percentage of births to teens are in the South. The birth rate to teens in the Delta counties in Arkansas have the highest teen fertility, being greater than 100 per thousand for the 15 to 19 year olds as compared to Arkansas' average of 66.4 and the U.S. average of 48 per thousand.

We have families where grandmothers are 39, mothers are 26, and the teenagers in the seventh grade, age 13, are having babies. We have 14 and 15 year olds who are having second and third un-

planned pregnancies. It's become a way of life. Sexually transmitted diseases and Chlamydia are very high in our State, much higher than in many other States. And just today, on the National news it was shown that the Human Papilloma virus is a cause of cervical cancer. Arkansas, with one other State, has been shown to have the highest cervical cancer rate of any State. And we have recently discovered that in some of our clinics, 50 percent of our women have evidence of this virus.

The infant mortality rate is considered the most sensitive indicator of the health status of a locality. By that measure, the United States falls behind eighteen other industrialized countries. And within U.S. boundaries, the South is the region with the worst child health outlook. Six of the seven States targeted by the Delta Development Act fall in the Nation's bottom half ranking for infant mortality, further contributing to the economic drain on this fragile region.

The economic health of the Delta impacts on the availability of health care and the health status of its children who represent its future workforce. The availability, accessibility and affordability of health care is essential to business and economic development. To attempt to address the Lower Mississippi Delta's economic health without addressing the health of its citizens would be shortsighted. We must develop a health care system the people and the power structure will accept and not what we perceive as their needs. It must be economically feasible and available. We do not need CAT scanners and high tech. We need primary care, preventive health maintenance, emergency medical services, and transportation to get there.

The Chancellor of the University relayed to me the story of a patient from the Delta he said had gangrene of the leg, requiring amputation. He asked her why she did not come earlier. Her reply was, "Doctor, I didn't have no way."

Your committee is to be praised for commissioning this study of the most deprived region of our Nation, and for including in the study an evaluation of the health care systems of these deprived citizens. I hope we, as a Nation, can offer them the dependency avoiding tools of health, education, motivation, hope and courage. Dollars and doctors are not enough. We need this study so this Nation can find out how we can give Miss Jones a way.

Thank you.

Senator BREAUX. Dr. Elders, thank you very much for a very eloquent statement. We appreciate your taking the time to be with us and help us to formulate this legislation. I know you have a plane to catch, and you're certainly excused unless Senator Bumpers has any question he'd like to ask.

Senator BUMPERS. Thank you very much for a most eloquent and articulate, and informative statement, Dr. Elders.

Senator BREAUX. Thank you.

You may be excused, certainly to catch your plane.

Commissioner Slater, we are pleased to have you and look forward to your testimony.

STATEMENT OF RODNEY SLATER, ARKANSAS HIGHWAY AND TRANSPORTATION COMMISSION

Mr. SLATER. Thank you.

Mr. Chairman, Senator Bumpers, members of the Senate Committee on Environment and Public Works and the Senate Small Business Committee, it is my distinct pleasure to have this opportunity to be of service. I come today, wearing a number of hats, but three in particular I would like to note, and then focus primarily on one of them.

I am a member of the Arkansas Highway and Transportation Commission, and serve along with four other individuals in maintaining the State's $5 billion investment in its transportation system. It is important to note, though, that the counties that I have primary responsibility for are located in the Delta Region of the State of Arkansas.

I am also Director of Governmental Relations at Arkansas State University, the only public four-year institution of higher education in the First Congressional District of Arkansas, a Congressional district which includes many of the counties in Arkansas we are here to discuss today. While this institution has students from 40 foreign countries and 40 states, and 73 of the 75 counties of Arkansas, its primary service area is the Lower Mississippi River Delta Region of Arkansas.

Thirdly, I come as an individual born in the Delta, and one who knows and can look beyond the statistics and see the faces of individuals I know. These individuals work and live in the Lower Mississippi River Delta Region and would like to have in this region the kind of hope and the kind of opportunities that are enjoyed in other parts of this land of plenty.

I was raised in Lee County, one of the 10 most economically distressed counties in America; a county, as Senator Bumpers noted, that has a lower per capita income than Tunica County, Mississippi, which is recognized as the poorest county in America. People there, though, know the value of hard work, working from "can't see in the morning until can't see at night," from "slap to smack," "dust to dawn," "can to can't." These individuals are committed to making a way out of no way, even though they have little more than a birthday and an appetite. Many are born too early and live in a land that is characterized as providing the American dream, only to have their dreams indefinitely deferred. Many of these same individuals often die too young.

These people—Black and White; the farm owner and the farm worker; the housewife and the domestic; the homeowner, the renter, and the homeless; the factory owner, the supervisors, and the line workers—have their futures inextricably tied. In a nutshell, those who have, and those who have little, and those who have nothing must work together to make hard and tough decisions to move this region forward.

As Dr. Elders noted, this committee serves as a light at the end of the tunnel. But I am so very pleased, as one who has walked through that tunnel, that this committee is not merely standing at the end of the tunnel, but is actually coming inside the tunnel, bringing that light of hope, meeting the more than 11 million resi-

dents of this Lower Mississippi River Delta Region who share a common heritage, common goals, common cultural values, and common problems. Many of our problems are different from those in other areas of this Country, and even other parts of the collective states encompassing this region. Although we have some of the richest farm land in the Country, and for that matter, the world, we also have some of the poorest people in this Country. For many of our citizens, agricultural work is all that is available. However, those jobs have been declining steadily since the 1950's and the 1960's as farming has become more mechanized.

The manufacturing economy in this region is almost exclusively tied to traditional industries, most notably textiles and apparel. Unfortunately, the market share for domestic producers of these goods has eroded rapidly in recent years as a result of international competition.

It is important also to point out, that when we discuss the assistance that this commission can offer to this region, we are not requesting a handout, but a hand up. We are simply asking the Federal Government, America if you will, to make a common sense investment in this part of the Country with documented potential and untapped resources.

In 1986 a report of the Southern Growth Policies Board Commission on the future of the South, "Halfway Home But a Long Way to Go", noted the importance of transportation to economic development. Moreover, many of our speakers today have noted the same. This commission, chaired by Governor Clinton of Arkansas, and its report, as well as many other reports point out the rich potential of the Mississippi River Delta Region and offer concrete recommendations as to its importance and the need for this region to be further developed as a national asset.

Looking at the Lower Mississippi River Delta Region, we see its productive farmland, its abundant water supply, its committed workers, but there is also something else that is very important about this region. It is located in the epicenter of the Nation's growth area. Last week, I attended a conference sponsored by the Transportation Research Board to discuss the role of transportation to the year 2020. One of the principal findings was that the main growth areas during the next 30 years will be in the West and the South. The Delta's strategic location as it relates to these growth areas provides tremendous potential for food production, and just-in-time manufacturing opportunities.

Until now, however, only limited success has been made at attempts to attract and locate industry in this region. One of the stumbling blocks has been the lack of adequate transportation facilities. The Mississippi River itself, although a major transportation asset as the world's third largest and the third most traveled river, provides a barrier to travel in the region, as well. There are only a few crossing points along the river, thus limiting east-west transportation opportunities.

Recent legislation authorized the states of Arkansas and Mississippi to form what is called the Great River Bridge Compact. This bridge would provide greater access to this region of the Country. It will provide rail and highway crossings between Rosedale, Mis-

sissippi and the eastern section of Arkansas in the vicinity of Dumas.

Specifically noting agriculture, it is important that this Delta Region no longer just be an exporter of bulk food products. Steps must be taken to cause value added processing to occur in this region, the same region where the food is grown. But if the efficient distribution of these goods is to occur, there must be a quality transportation system in place.

Secondly, manufacturing sub-assembly operations, distribution centers, and other industrial activities can be beneficial to this region and the Nation, but only if a quality transportation system is provided to help the producers of these goods get them to market, and get them there in compliance with the just-in-time transportation philosophy.

Recent studies by various planning districts in Arkansas have pointed out the importance of highways and transportation. Also many states in this region have moved forth to improve their transportation system—Tennessee, Mississippi, and Missouri especially—and Arkansas is coming forth in like manner.

As I move to a close, let me note that the Appalachian Region Commission, established in 1965, has reported that many of the funds it received as a result of the establishment of this commission were directed towards improving its transportation facilities. According to the Winter 1988 journal of the Appalachian Commission, of the 695,000 jobs created between 1980 and 1986, 81 percent were in the 241 Appalachian counties traversed by the Appalachian Corridor or interstate highway.

A recent review of manufacturing plants in Arkansas bears out similar findings. Of the 291 communities in Arkansas with manufacturing plants, 59, or approximately 20 percent of those communities, are located on or near a four-lane highway. These communities account for approximately 41 percent of the total manufacturing plants in the State, and account for approximately one-half of the manufacturing job base.

In closing, I would like to point out that improved highways alone will not cure the ills of the Lower Mississippi River Delta Region. However, improved highways, improved access for people to jobs and for producers to markets, coupled with wise Federal investments, gains in education, innovative industrial and business promotion, and social program improvement will move the Delta Region out of its current crisis and start it on the road to prosperity that will benefit the region and the nation.

I would also like to note that this effort is needed for America as well, not simply in helping to unleash the untapped potential and resources of the Lower Mississippi River Delta, but America needs this kind of effort, to test the vitality of the American dream.

Mr. Chairman, I would also like to submit a recent report of the American Road and Transportation Builders Association, which specifically addresses, in greater detail, the significant relationship between transportation and economic development. [Retained in committee files.]

Again, thank you for the opportunity to be of service.

Senator BREAUX. Thank you very much, Commissioner, for your help, and your appearance, and your eloquent statement.

Next we'll hear from the President of Delta State University in Mississippi, Dr. Kent Wyatt.

STATEMENT OF KENT WYATT, PRESIDENT, DELTA STATE UNIVERSITY, CLEVELAND, MS

Senator BREAUX. I've read your statement, Dr. Wyatt, if you would like to summarize it. I do want to ask you some questions about it.

Mr. WYATT. All right, sir.

Mr. Chairman, Mr. Bumpers, I appreciate the opportunity to testify before you. As you say, I am President of Delta State University, a position I've held for 13 years. It is a State supported institution right in the heart of the 19-county area known as the Mississippi Delta counties. And on your map, it's right in the middle of the red and blue area.

I've grown up in this area, been educated there, and chosen to remain professionally in this Delta Region. I would like to submit my written testimony, and then in order to save and conserve time, hit on some of the highlights that I have there.

First, I would call your attention to the fact that the educational attainment levels in Mississippi are among the lowest in the Nation. Twenty-seven percent of the State's population have eight or fewer years of education compared to 18 percent nationally. We rank 47th in the percent of adult population who have graduated from high school. And in our specific university service area, the Mississippi Delta, conditions are much worse. The percent of adults with a high school degree is 46 percent, a full 21 percentage points below the National Average.

With fewer than half of the Mississippi Delta adult population having completed high school, we find ourselves at a serious disadvantage in terms of economic development. The lack of educational attainment among our population is a serious deterrent to economic growth.

Mississippi also lags far behind national averages among K through 12 students in educational achievement. The Stanford Achievement Test, the most widely used national test of academic achievement, show that Mississippi kindergarten children are at the 46th percentile in reading and mathematics. In the Delta they are only at the 40th percentile. These low percentiles remain relatively constant throughout the students' schooling.

Among high school graduates taking the ACT, that's the American College Test, the college entrance examination that's used in most southern States, Mississippi's average composite score is 15.5, and it's the lowest in the Nation. Low test scores prohibit many students from meeting the admission requirements of four-year schools. A recent survey by the Mississippi State Department of Education indicated that only 29 percent of our 1986-1987 graduating seniors in the public schools of the Mississippi Delta planned to attend a four-year college.

Because of a limited tax base, Mississippi ranks at, or near, the bottom of all indicators of financial support for education. At the K through 12 level, Mississippi has consistently ranked at the bottom in teacher salaries. However, you heard today the testimony by our

governor, Governor Mabus, of the new emphasis that's now being placed on teaching and education in our State. But even after this influx of new dollars, the State will still lag far behind the National Average in teacher's salaries. At the postsecondary level, the average salary for a college professor in Mississippi is $9,600 below the National Average.

In public school expenditures, based on a per pupil statistic, Mississippi spent $2,205 in 1985, the second lowest in the United States. And higher education in Mississippi is similarly underfunded. In 1986–1987 Mississippi ranked last in the south in State appropriations per full-time students in our universities.

Mississippi's ability to provide adequate appropriations to higher education has been hampered by a lack of available tax revenues.

For example, at our own institution, we received a 23 percent reduction in State funds two years ago because of continuing shortfalls in revenues due to a sagging economy. Two other State universities in the Lower Mississippi Delta Region also received similar reductions. We had to terminate over 50 positions, eliminate programs and make drastic cuts in services. One result of these cutbacks is that a disproportionate share of the financial responsibility of college education costs has now been shifted to the student.

Many of our students come from homes that know impoverishment as a way of life. Their parents reside in a State that ranks 50th in median family income, 49th in average life expectancy, first in infant mortality, and second in illiteracy among the population.

Mississippi schools face still other challenges. Mississippi leads the Nation in the percentage of children under 18 who are below the poverty level. Also, the State has the highest teenage pregnancy rate in the Nation. And as babies are born to teenagers, who have neither the knowledge nor the resources to parent effectively, the schools will inherit yet another generation of children who will likely be doomed to educational and economic failure and the cycle will continue.

The State of Mississippi and its neighbors in the Lower Mississippi Delta must adopt an aggressive role in meeting the economic, social and educational challenges before us. The Lower Mississippi Delta Development Commission would be an ally in this effort. It would provide us with the blueprint we need for economic and educational recovery.

In closing, I would like to offer my thanks to the committee for allowing me the opportunity to testify today and for its interest in addressing the problems that face the citizens of the Lower Mississippi River Valley. The problems have faced us for decades and they have no quick solutions. But with the establishment of the Lower Mississippi Delta Development Commission in concert with the combined efforts of local, State and National leaders, we can make a difference in the quality of life for our citizens who live and work in the Lower Mississippi Delta.

Thank you for allowing me to speak to Senate Bill 2246.

Senator BREAUX. Thank you very much, Mr. President, and Commissioner, for appearing. After we've had all the panels and our elected officials participate, I think we really owe a note of gratitude to Senator Bumpers for putting this legislation together and

asking us to join as cosponsors, and really allowing the Congress and the Nation to focus in on this region and their problems.

What we've heard from the two panels, makes me think that I'm listening to testimony about third world countries, with regard to the poverty and the absence of health care facilities, and educational opportunities.

Dr. Wyatt, I'm not singling Mississippi out, but you're first in those things that are bad, and last in those things that are good, and my State's right in there with you at the same level. Some of your statistics are incredible. On page 2 you're saying that there is a 46 percent high school graduation rate in Mississippi. That means, 54 percent are not graduating?

Mr. WYATT. Did not finish high school.

Senator BREAUX. It's depressing. It was interesting that you make a correlation between the amount of students participating in the free lunch program and their success in education. Would you elaborate on that just a minute?

Mr. WYATT. Our Director of Institutional Research has done a study throughout certain areas of the Delta trying to tie some figures to dropouts rates. And his research indicates that those students who are on the free lunch program, of course they come from disadvantaged backgrounds more than other students, and that's our best indicator of those students who need to be worked with to keep them in school, because they're more likely to drop out than any other indicator that he could come up with.

Senator BREAUX. The higher the participation in the free lunch program, the greater chance of more dropouts occurring?

Mr. WYATT. Than that school would normally have, yes.

Senator BREAUX. And we have 91 percent, or something of that nature, in the Delta area who are on the school lunch program. Well, the statistics are depressing. I was pleased to see that Governor Mabus had indicated that the legislature is starting to address that. I know ours, in Louisiana, is doing the same thing, and some progress is being made.

Hopefully this commission will be able to focus on trying to coordinate everything. It's a monumental task, but at least because of Senator Bumper's legislation we're getting on with the program. Thank you very much.

Senator Bumpers.

Senator BUMPERS. Commissioner Slater, and Dr. Wyatt, I regret that every Senator and every Member of the House of Representatives couldn't have been here this morning to listen to the most unbelievable statistics I've ever heard in my life.

Governor Mabus, who is certainly a new breed of politician in the State of Mississippi, and those of us who surround Mississippi have taken great pride, not just in his election, but in the initiatives that he's taking there. And he made, I thought, a very cogent statement this morning when he said, above all, that this legislation brings hope to the region in an area that is suffering, if not from anything more, certainly suffering terrible dispair. They see no relief. Right now they see a drought which just further exacerbates the deplorable conditions under which they live.

And then I listen to the statistics you give about your school, and I know that my State and probably for the Delta Region they're not terribly different.

Mr. WYATT. Right.

Senator BUMPERS. Senator Bird has appointed me to an advisory committee to draft a major drug bill. And I must confess to you that I was not an expert on drugs. I had left that to the relevant committees in the Congress. But if I was going to serve on that, I felt that I owed it to him and to my colleagues to learn everything I could learn. And I have invited everybody in the United States that I think really is knowledgeable on the issue, whether it's interdiction, treatment, prevention, all the different facets of the problem. And I don't mind telling you that we're in a little bit of a donnybrook in that advisory committee right now, because the popular opinion is to split the $3 billion that we are proposing to put into that, half interdiction and law enforcement, half education, treatment and prevention.

And everybody I talk to says that between 80 and 90 percent of the problem is education and prevention. Even people in the drug enforcement administration will tell you that you will never stop all the drugs from coming into this Country. You couldn't keep the Soviets from smuggling atomic bombs into this Country if they wanted to. We're just too open a society. I think interdiction and law enforcement, are important. I don't diminish the importance of them. But the point is, we know and study after study shows, and we've looked at those studies, that educational programs that start at kindergarten and even the nursery level that are designed to develop the whole personality to make people proud of their bodies, not want to abuse them, to improve their self-esteem and their feelings about themselves . . . study after study shows that the figures are really dramatic in how that improves the dropout rate, improves the graduation rate and it certainly improves the statistics on who gets on drugs and who doesn't.

We've done a magnificent job in this Country. We've got a long way to go, but we've done a pretty good job of talking children into not starting smoking in the first place. We have not done so well on the alcohol program, but smoking in this Country has gotten to where it's just socially unacceptable.

But, in any event, a total developmental education program is so important to self-esteem, and in that particular area it is so important. Governor Clinton gave the story this morning about the youngsters in Lee County down in Marianna, Rodney you're home county, where these children got into drugs simply because it was a way, I guess, to get out. I'm not justifying what they did, but it was a way out of Delta poverty.

And so, Bill, I can think of a whole host of things we ought to do in this tax credits for industry, tax credits to employed people, increased educational grants for youngsters who want to go to Delta State. I can think of a whole host of programs that the Federal Government could involve itself in that would bring help and hope to this area. And I don't want to preempt what this commission might decide.

Incidently, one thing while I'm thinking about it, for the record, Mr. Chairman, is that the Mayor of West Monroe?

Senator BREAUX. Norris.

Senator BUMPERS. Mayor Norris, this morning was saying that he thought one year was too short a period of time, and I think, Mr. Chairman, that's something we might consider. It may be too short a period of time. I'm just in a hurry to get it done, but I don't want to be in such a big hurry that we don't do a really good job of coming up with proposed solutions.

But one of the things I was thinking today, if you took all of the counties, 197 counties embraced by the bill, and you took the welfare payments, the Medicaid payments, the AFDC payments, all the money that we spend for social programs in that area, that we would not spend say, if all of those counties had an unemployment rate which was equal to the national rate, you'd find that we could make a small investment down there that would pay very rich and handsome dividends to the entire Country.

I've got a little line I've used in a thousand speeches about how those at the top of the ladder don't have the right to step on the hands of those reaching for the first rung. And on the contrary, we strengthen the Nation, we strengthen ourselves, we improve our self-esteem and our own character when we reach out and help people to get to the top of the ladder. There isn't anything that offends me like people who grew up like Rodney Slater did, and like I did, and who make it, and forget all those who are still struggling. I just deplore that kind of an attitude which afflicts a lot of people. I'm not judging other people, being judgmental about other people, I'm just simply saying we all know, and history shows, that when we help other people we help ourselves.

That's a lecture that doesn't cost one penny to anybody. I just feel so strongly about this, but above all—Commissioner Slater, I want to say that I was most impressed by the research that you did in making your statement this morning. You gave some very good Arkansas statistics today that I had not heard before.

And I might also say, I was pleased to hear you mention the Appalachian Regional Commission. The directors of that Commission came to my office immediately after I introduced this legislation, and they have tremendous statistics and information, not just in the Appalachian Commission, but in this area that they already have computerized that will be a great help to this commission in deciding what they want to do.

With that, Dr. Wyatt, let me just ask you this one question. How do you get teachers and doctors to go into the area?

Mr. WYATT. It is very difficult to recruit, particularly outstanding professionals when you cannot pay a comparable salary that they could receive in surrounding States.

May I point out one other thing that Governor Clinton alluded to?

Senator BUMPERS. Sure.

Mr. WYATT. He talked about perhaps getting work study for students and let them work with the families and so forth in the summertime and throughout the year. I think that would be fantastic. I think before they attend kindergarten, we need to do some work in the homes.

We have at Delta State, as one lady alluded to earlier, a Small Business Administration Development Center with one person in

it. We have a Manufacturing Assistance Center. We have a person and a half in it. We're trying to start a minority business center there. But if we could do something with our social work students, if we had funds to send them out into these different homes and in different counties, I think that would be a tremendous thing, but it would take an influx of funds to be able to do that kind of thing.

Senator BUMPERS. Commissioner Slater, do you want to add anything to what you've already said?

Mr. SLATER. Nothing other than just to thank this committee for the opportunity to be of service. And this is an idea whose time has come, to quote an individual, and I'm looking forward to the opportunity to see the efforts come to fruition.

Senator BUMPERS. Well, I thank you both very much, and all the panelists here this morning for the tremendous work you've put into your statements, all of which will be submitted to the commission, as well as to this committee. When it's formed, this will be information they'll have to begin. And thank you for the efforts you've made to be with us this morning. Thank you both very much.

Senator BREAUX. I thank the panel members and the panel is excused. This will conclude all of our witnesses at this morning's session.

I have some questions that will be submitted for the record by Senator Stafford, a member of our committee, and would ask that that be made part of the record.

[Senator Stafford's questions follow:]

QUESTIONS FROM SENATOR ROBERT T. STAFFORD FOR GOVERNOR MABUS AND GOVERNOR CLINTON

1. Governor, I notice in your testimony that the States of Mississippi, Arkansas, and Louisiana already have joined in a concerted effort to improve the economy and the quality of life in the Lower Mississippi Delta through a tri-State agreement or pact—certainly a worthwhile step. I wonder if you would agree that the first task of a seven-State commission should be to define whatever underlying problems are common to the region—which lead in turn to other shortcomings. In the case of the Appalachian Regional Commission, for example, I remember Senators Randolph and Cooper speaking of the topography and consequent lack of transportation—"you can't get in or out"—which contributed also to lack of health and school and consumer and small business facilities.

2. Might another task of such a commission be to recommend the institutional forms best able to assist in developing projects and designing programs for the region? In the case of the ARC, it was comprised of the Governors themselves—joined with a Federal co-Chairman having an equal role. Further, a key to the success of that commission—in contrast to the so-called Title V regional commissions—was its independence, its ability to work with agencies of the Federal Government as well as of the States on an equal footing.

3. Might it not be appropriate for this commission, if it is established, to delineate the boundaries of the most seriously needy areas of the region—identifying also the differing characteristics and needs of various portions of the region, which is after all quite extensive?

4. Finally, would not another key task of such a commission be to recommend appropriate funding sources for the projects and programs which it considers to be of highest priority? In the process, should not the commission set clear goals and establish priorities for the Congress and the States to consider?

[NOTE: Responses to the above questions were not received by time of publication.]

Senator BREAUX. The Chairman of the full Committee, Chairman Burdick, has also indicated that it is the intent to schedule this bill for legislative markup and reporting by the committee at our very

next markup session, which is now tentatively scheduled for July the 13th, so that this bill will continue on a fast track.

Senator BUMPERS. Mr. Chairman?

Senator BREAUX. Senator?

Senator BUMPERS. If I may, Mr. George Siehl, of the Congressional Research Service, has prepared a statement for the record on Recreation and Tourism as an Economic Development Strategy for the Lower Mississippi Delta Region. It's a very comprehensive statement with accompanying maps and so forth, and I want to submit that for the record.

Senator BREAUX. Without objection. [See p. 159.]

Senator BUMPERS. And also I have a very good statement from W.H. "Bill" Brandon, who is President of the First National Bank of Phillips County in Helena, to be submitted for the record.

Senator BREAUX. Without objection that statement will be made part of the record. [See p. 152.]

Senator BREAUX. With that, the committee will stand adjourned until further call of the Chair.

[Whereupon, at 12:37 p.m., the committees were adjourned.]

[Statements and other material supplied for the record and the bill, S. 2246, follow:]

JUNE 28, 1988

STATEMENT BY SENATOR ALAN J. DIXON

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

HEARING ON LOWER MISSISSIPPI DELTA DEVELOPMENT ACT OF 1988

S. 2246

88-678 O - 88 - 3

THANK YOU, MR. CHAIRMAN.

I AM PLEASED THAT THE COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS HAS CALLED THIS HEARING TO RECEIVE TESTIMONY ON THE LOWER MISSISSIPPI DEVELOPMENT ACT. WITH THE COOPERATION OF THE SMALL BUSINESS COMMITTEE, AN IMPRESSIVE TEAM OF WITNESSES HAS BEEN ASSEMBLED.

MANY OF US HERE TODAY KNOW FIRSTHAND OF THE TOLL WHICH CHANGING MARKETS HAVE WREAKED UPON THE DELTA REGION. WE COULD CITE TRAGIC STORIES OF FAILED BUSINESSES, CLOSED PLANTS AND

MINES, LOST FARMS, AND FAMILIES TORN APART BY THE CIRCUMSTANCES. DESPITE POPULATION GROWTH IN THE DELTA STATES, THE ILLINOIS COUNTIES TARGETED FOR ASSISTANCE IN THE BILL HAVE ACTUALLY LOST POPULATION. IT IS SAD TO SAY THAT OF THE POPULATION STILL HOLDING ON IN PULASKI COUNTY, ALMOST ONE IN THREE LIVE BELOW THE POVERTY LEVEL.

MR. CHAIRMAN, ANOTHER OF THESE AFFLICTED ILLINOIS COUNTIES, JACKSON, IS HOME TO SOUTHERN ILLINOIS UNIVERSITY. WE ARE PRIVELEGED TO HAVE WITH US TODAY THE

DIRECTOR OF ECONOMIC AND REGIONAL DEVELOPMENT AT SIU, DR. RHONDA VINSON. DR. VINSON IS ACUTELY AWARE OF THE PROBLEMS IN HER COUNTY AND THE SURROUNDING AREA, AS WELL AS THE EFFORTS WHICH HAVE BEEN MADE TO ASSIST IN THEIR ECONOMIC DEVELOPMENT. HER TESTIMONY IS CERTAIN TO BE A CONSIDERED REFLECTION ON THE ISSUES.

THE LOWER MISSISSIPPI DELTA REGION HAS BEEN AFFLICTED WITH POOR JOB PROSPECTS, POOR INFRASTRUCTURE, POOR EDUCATION, POOR HEALTH FACILITIES - POOR IN ALMOST EVERYTHING WHICH WE

CONSIDER NECESSARY FOR A HEALTHY ECONOMIC ENVIRONMENT. THE ONE THING WHICH IS NOT IN POOR SUPPLY IS THE SPIRIT AND CONVICTION OF THESE HARDY RESIDENTS. THESE ARE INDIVIDUALS WHO WANT TO HELP THEMSELVES BUT THEY NEED DIRECTION AND GUIDANCE.

IN THE STATE OF ILLINOIS WE HAVE MANY PROGRAMS IN PLACE WHICH CAN BE OF BENEFIT. TO MENTION A FEW, WE CAN PROVIDE CUSTOMIZED INDUSTRIAL TRAINING, DIRECT STATE LOANS, ENTERPRISE ZONES, INDUSTRIAL DEVELOPMENT LOANS, STATE GRANTS, AND UMBRELLA BONDS. IT IS MY HOPE THAT

PAGE 6

THE DELTA DEVELOPMENT ACT WILL BE ABLE TO COORDINATE THESE TOOLS WITH THOSE AVAILABLE IN OTHER AFFECTED STATES TO DEVELOP A COMPREHENSIVE PLAN TO ADDRESS COMMON REGIONAL PROBLEMS.

FOCUSSING BOTH STATE AND NATIONAL ATTENTION ON THIS DEPRESSED AREA SHOULD ENABLE US TO MORE FULLY UTILIZE THE LIMITED RESOURCES AT OUR DISPOSAL. I THANK ALL OF THE WITNESSES FOR COMING THIS MORNING AND I LOOK FORWARD TO RECEIVING THEIR TESTIMONY.

STATEMENT OF HON. MITCH MCCONNELL, U.S. SENATOR FROM THE STATE OF KENTUCKY

Mr. Chairman, as a cosponsor of S. 2246, the Lower Mississippi Delta Development Act, it is my pleasure to join all of my colleagues in the seven state region of Kentucky, Illinois, Missouri, Tennessee, Arkansas, Louisiana, and Mississippi in strong support of this bill. I commend the efforts of Senator Bumpers in drafting this legislation which would establish a regional commission to study the varied problems experienced by this poor, economically depressed region of the lower Mississippi River Valley. Most importantly, I am pleased to see that the commission will make recommendations regarding the economic needs and economic development of this area.

When one argues the merits and necessity for such action, one need go no further than my home State of Kentucky. Western Kentucky counties along the Mississippi River suffer severe economic depression and high unemployment which exceeds the national average. Unfortunately, their situation is not unique to the other counties along the Mississippi and share many of the same hardships. The western Kentucky counties specified in this bill are Fulton, Hickman, Carlisle, Ballard, Graves, McCracken, Calloway, Marshall, Livingston, Crittendon, and Union

I am encouraged by the potential seeds of economic benefits that S. 2246 will eventually help to sow in this region of my State and throughout the lower Mississippi River Valley. These 11 counties in western Kentucky are in need of assistance and are similar in many respects to the Appalachian counties in eastern Kentucky which have traditionally extreme poverty. While the task of providing aid and assistance to Appalachia is still overwhelming, I have seen what can happen with the positive guidance of the Applachian Regional Commission which has helped to clearly define problems in this region as well as provide seed money and technical assistance to many needy communities.

Although the Lower Mississippi Delta Development Commission is only a commission to study and make recommendations, I am hopeful that the findings will lead to future actions addressing the economic problems of this region. By clearly identifying and focussing on the real problems as well as determining priorities, this commission may be the catalyst necessary to put us on the path to sound economic development.

I strongly urge my colleagues on this Subcommittee to act favorably on S. 2246, the Lower Mississippi Delta Development Act.

STATEMENT OF THE HONORABLE BILL EMERSON BEFORE A JOINT HEARING OF THE COMMITTEES ON SMALL BUSINESS AND ENVIRONMENT AND PUBLIC WORKS

JUNE 28, 1988

Mssrs. Chairmen, today I am submitting testimony to express my strong and unequivocal support for S. 2246, The Lower Mississippi River Delta Development Act of 1988. I want to commend Senator Bumpers for his foresight in identifying and sponsoring legislation which will play a critical role in enhancing economic development efforts and promoting better job opportunities in the Lower Mississippi Valley Delta Region.

As a cosponsor of comparable legislation introduced in the House of Representatives by my colleague, Congressman Espy, I can attest to the significant promise this bill holds for the Eighth Congressional District which I represent in Southeast Missouri. As the Committees are aware, this legislation proposes to create a nine-member commission composed of local officials in a seven-state region to study problems and explore opportunities in specific areas, including seventeen counties in Missouri's Eighth District. The Commission's findings will hopefully provide the basis for future legislation to help stimulate economic growth in the Delta area.

The Mississippi Delta will continue to be confronted with significant economic and educational challenges in the future, but a thorough analysis of these challenges would not be complete

without pointing out the wide array of assets our area possesses. With our abundance of natural resources and our hardworking and honest labor force, our area offers tremendous incentives for new industry and prospective employers to locate. Our potential has not been fully realized in the past, but the proposed Commission would take an important first step in determining why the current situation exists and what can be done to reverse the trends of the past.

Economic development and job creation have been among my highest priorities in the past, and they will continue to receive such attention in the future. Existing economic development authorities in my own Congressional District would be well-suited to formulate and benefit from the recommendations put forth by the Commission. The Bootheel Regional Planning and Economic Development Commission has already been instrumental in identifying numerous projects which could benefit from future targeted funding assistance. The State of Missouri's Department of Economic Development would also be a working partner with the Commission and could assist in coordinating the distribution of Federal assistance to local economic development projects.

I hope that as the Committees review this legislation in the weeks ahead that emphasis will be placed on integrating local and state economic development authorities into the Commission's work. Only with this kind of cooperation among government entities will we identify real solutions to the real problems

confronting us.

Senator Bumpers' legislation represents an investment in our Region's future - a thoughtful and measured investment which will revitalize an area of rich land and hard-working people. I commend the Committees for their review of this much-needed legislation, and I urge my colleagues in both the Senate and the House to act expeditiously in moving this measure toward enactment in the 100th Congress.

STATE OF ARKANSAS
OFFICE OF THE GOVERNOR
State Capitol
Little Rock 72201

Bill Clinton
Governor

STATEMENT

BY

BILL CLINTON
GOVERNOR
STATE OF ARKANSAS

BEFORE THE
SENATE SMALL BUSINESS COMMITTEE AND THE SENATE ENVIRONMENT AND PUBLIC WORKS COMMITTEE

ON THE

SENATE BILL 2246, THE LOWER MISSISSIPPI DELTA DEVELOPMENT ACT

JUNE 28, 1988, 9:15 A. M.

LOWER MISSISSIPPI DELTA DEVELOPMENT ACT

As Governor of the State of Arkansas, I want to thank Senator Bumpers, Senator Pryor, and the Senate Committee on Small Business and the Senate Committee on Environment and Public Works for inviting me to make a statement on the Lower Mississippi Delta Development Act sponsored by Senator Dale Bumpers and Senator David Pryor of Arkansas, and eleven (11) other United States senators.

First, I want you to know that I am in total support of the proposed bill and will continue to do everything within my power to assist with its implementation in my state and the lower Mississippi Delta Region. This bill is a critical ingredient in our region's effort to eliminate the negative impact of poverty, unemployment and the devastating social problems eating away at the fabric our families in the The bill will also compliment and strengthen efforts already underway in the seven (7) states to solve these problems.

Of course, some parts of the South are doing very well. Many of our larger cities are growing and their economic and social climates are healthy and vibrant. Some rural areas such as northwest Arkansas are doing well with economies relatively

independent of world competition. However, large sections of the South have lost population since 1980 and have suffered major job losses in the agricultural, energy, and low-wage, low-skill manufacturing sector. Arkansas and the rest of the lower Mississippi Delta Region have been among the hardest hit by the adversities of the last decade, with very high unemployment in most of the counties along the Mississippi River. That part of our country was simply unprepared for the rude entry into real world wide economic competition over the last decade.

Paralleling these economic developments has been significant deterioration in the quality of life of our families. Large numbers of families in poverty, high rates of welfare dependency, teen pregnancy and low birth weight babies, significant rises in the number of single-parent households, thousands of adults who are functionally illiterate, and higher than average rate of school drop outs.

Many of the Arkansas counties along the Mississippi River have unemployment rates between 10% and 23%; up to 36% of families living below the poverty level; nearly 26% of personal income derived from transfer payments; and per capita income less than one-half of the national average. The lower Mississippi Delta Region, by all objective, social and economic measures is the most needy area in the United States.

Arkansas and other states in this region have worked hard to address these problems and needs, but there is still much to do. Our condition can best be described by the title of the report by the Southern Growth Policies Board's Commission on the Future of the South - "Half Way Home and a Long Way to Go."

In the past five years, we Arkansans have worked harder than anytime in our history to prepare ourselves for the future. Arkansas' Education Program of 1983 and its Jobs Program of 1985 have helped us prepare our state for the challenges of the world economy.

Even though we have attempted to target economic and social assistance to the most depressed regions of our state, it is difficult to make significant progress because the social problems are so pervasive and opportunities for private sector development are limited.

Arkansas' Education Program requires higher standards designed to provide the best education possible by 1) requiring schools to offer more courses, 2) increasing course requirements for graduation, 3) reducing class size, 4) requiring more time for instruction in each school day, 5) establishing mandatory homework policies, 6) requiring districts to offer kindergarten,

7) funding special educational opportunities for gifted and talented students, and 8) establishing state standards for discipline.

New programs funded in higher education are designed to utilize the expertise in our colleges and universities to assist small communities and small businesses to promote community and business development. In addition, the Arkansas Science and Technology Authority in cooperation with institutions of higher education have established five business incubators designed to assist small start up companies to get a good start.

These efforts have not been in vain. Our schools are better. Our teachers and students are doing better work. Our vocational schools, colleges and universities are making new contributions to the economic well-being of our state.

Our Jobs Program is designed to increase the availability of capital for new and expanding business, emphasize the commercialization of research, increase support for small and minority owned business, prepare our communities growth and development, and to provide nationwide recognition of Arkansas as an excellent state for investment opportunities.

The Southern Development Dancorporation is a new development finance institution we recruited to Arkansas to provide a spectrum of financial services to small rural communities. One of its subsidiaries is called the Good Faith Fund, which is making loans of $5,000 and under to small vegetable farmers and self-employed entrepreneurs in the Arkansas Delta region.

We have made significant progress in our efforts to build a competitive economic environment. Total employment increased from, 924,000 in 1983 to 1,000,000 in 1987 (8.4%). Arkansas ranked 5th in the United States with 2.1% growth of new manufacturing jobs during 1986 and 7th in 1987 with a 3.6% increase. Our unemployment rate was 12.8% in January of 1983. Today it is 7.8%. Arkansas' per capita income in 1983 was $9,128. Today it is $11,050,a 21.5% increase.

In spite of the progress we have made, much more remains to be done because far too many of our people are unskilled, illiterate and living in poverty. This is why we are continuing to strengthen our existing programs and to develop new ways to address the social and economic needs of our people.

One example is the Rural Development Action Program which is designed to improve the life in 11 of the state's most depressed counties. Most of these counties are located in the Lower

Mississippi Delta Development Act's target areas. State, local and federal teams are meeting to develop goals and objectives in the area of education and training, business development, family farm agriculture, health and human services, and public facilities and housing. We will then make every effort to target state resources to address these goals and objectives over the short, medium and long term.

The Home Instruction Program for Preschool youngsters (HIPPY), a two year home-based program for the enrichment of educationally "at-risk" four and five year old children. The program is designed to promote the recognition, development, and use of parent strengths in the total education process. Participation in HIPPY helps both parents and children. Children become more responsive and successful school pupils, while parents report positive growth in self-esteem and attitudes toward the education process.

On April 1, 1987, Arkansas became the first state to take advantage of federal legislation to provide an optional Medicaid provision to cover thousands of needy infants, children and pregnant women. The program, which now covers those with family incomes below 100 percent of the federal poverty level, is aimed

at reducing infant mortality and improving health care for low-income mothers and children. Arkansas is currently reviewing data to move eligibility levels to 185 percent of the poverty level.

Implementation of this Act should give our states the ability to make a case for more flexibility in the administration and operation of Federal categorical programs. One example is the ability to use Job Training Partnership Act (JTPA) funds to address more of our adult literacy and basic training needs without fear of being sanctioned for a lack of immediate job placement. Allowing the JTPA program to pay for the college education of low-income children in return for working on adult literacy is another idea worth pursuing.

Another major regional effort is the decision by Governor Ray Mabus of Mississippi and Governor Buddy Roemer of Louisiana and me to sign cooperative agreements to promote economic development and international trade in our three-state region. Like Arkansas, Louisiana and Mississippi, have been hit hard in the last decade by economic adversity. Our states have many positive things in common, including hard-working people, abundant natural resources, and natural beauty. We agreed to formally join forces at the state government level to address social and economic problems facing our region. In addition to a wide range of domestic programs currently under review for opportunities to cooperate on

a regional basis, we are planning a joint trade investment mission to Asia in the fall of this year.

As you can tell, we are working hard to do what we can to improve the quality of life for the people in our region. I am confident that the structure, goals and objectives of the Lower Mississippi Development Act will significantly enhance our current efforts and place the total region on a faster course toward economic and social prosperity.

The time frame for the study is appropriate and the areas of concentration are compatible with what we have identified as major needs in our region. Addressing critical social and economic problems on a regional basis is consistent with policy positions of the National Governors' Association, Southern Growth Policies Board, and other regional and state level groups concerned with the Lower Mississippi Delta Region. Implementation of this Act should be of the highest priority in our effort to help the people of our region become more productive citizens.

By 1995, we're going to have a labor shortage in the United States, because all the baby boomers are in the workforce and the rate of women entering has leveled off. That means our region can achieve much lower unemployment and higher wage levels. But we may not make it if we don't prepare our people for the job. We know

that by the year 2000, 85 percent of the workforce is going to be composed of adults who are in the workforce today, and a lot of them, in every state in the country, can't read, and aren't going to be able to learn new things. We know that already, the average 18-year-old will change jobs seven times in a lifetime--already--and unless something dramatic changes, the pace of change is going to accelerate, not decline. Those are hard facts.

We know that the workforce of tomorrow will be increasingly made up of women, minorities, and older people. And we know that far too many of these people in our region have barriers to employment such as teen pregnancy, adult literacy, welfare dependency, and alcohol and drug abuse.

If we don't do something about the educational system and the economic system in our depressed areas, we're going to have a very curious paradox. We're going to have a labor shortage in this country along with high structural unemployment. We could be paying for people to be on welfare and importing workers because too many of our people simply don't know enough to work in today's economy.

I am convinced that the Lower Mississippi Delta Development Act will be a major factor in our efforts to avoid this paradox. I encourage you to support the Act and assure you that I will do everything I can to help make the effort a social and economic success in my state and our region.

Testimony on Senate Bill 2246

Gov. Ray Mabus, Mississippi

Senate Small Business and

Environment and Public Works committees

June 28, 1988

Senator Bumpers, Senator Breaux, other distinguished members of the Small Business and Environment and Public Works Committees, ladies and gentlemen, thank you for inviting me to testify before you today on Senate Bill 2246, the Lower Mississippi Delta Development Act. Let me begin by stressing the absolute need for the establishment of the Lower Mississippi Delta Development Commission.

Sen. Bumpers and the others who have been actively involved in drafting and sponsoring this legislation are to be commended. Their efforts have resulted in an idea and a new focus on the Delta region that I welcome.

After looking over the agenda for this hearing, I know you will not lack sufficient facts and figures about the Lower Mississippi Delta region. However, I would like to share a few interesting points with you.

2-2-2

The Lower Mississippi Delta contains 196 or 6.3 percent of the nation's 1,134 counties. But it has 31.6 percent of the most severely distressed counties in the nation -- that is 89 of the country's 282 severely distressed counties.

The poorest state in the union has consistently been Mississippi, with Louisiana ranking second and Arkansas fourth. One family in five in Mississippi is poor -- over twice the national average.

Mississippi also ranks 50th in per capita income in the United States, and it has the highest unemployment rate among the young at 34.4 percent.

Although we are making progress, education and health rankings are unacceptably low.

It is a dubious distinction, indeed, to have the poorest county in the nation in Mississippi.

Tunica County had an individual poverty rate of 52.9 percent in 1980, which means that more than half of the individuals in the county had incomes of less than $14,759.

3-3-?

With an average per capita annual income of $5,643 for wage earners, Tunica County is 47.9 percent below the national average of $12,772. It had an unemployment rate of 11.1 percent, as compared to the state average of 9.4 percent.

The region ranks lowest in almost every education statistic. For example, since 1900 Louisiana and Mississippi have ranked first and second in the percentage of illiterate citizens. Arkansas consistently has placed in the bottom ten.

In health care, as well, the region has too few physicians per capita and the highest infant mortality rate and percentage of unwed mothers.

Despite these heart-rending statistics, I must say that in Mississippi and in our sister states, particularly Louisiana and Arkansas, there is a sense of rebirth. We know that the first place we must look for solutions is at home.

In the regular session of the Mississippi Legislature this year, we passed a bill to provide Medicaid benefits to persons with incomes up to 185 percent of the poverty level. We have improved our delivery of medical care to pregnant women and infants, thereby decreasing our infant mortality rate.

4-4-4

Mississippi has moved up from 50th to 47th in the number of deaths per 1,000 live births.

As a new governor, I campaigned for the need to refocus our limited dollars where it will do the most good. This year 85 percent of new money appropriated by the Mississippi Legislature went to education, and teacher salaries jumped from 49th to 34th in the nation.

In addition, we want to manage our resources better by reorganizing the executive branch of government to save money and make it more responsive.

We are not looking for a handout from the federal government. What we are seeking is a commodity more priceless, and that is hope.

We know the price of bringing prosperity and hope to this part of our nation must be counted in more than just dollars. It will take a commitment from officials at every level of government from cities and counties up to the states and the nation.

In fact, the states of Mississippi, Arkansas and Louisiana already have bonded together in a concerted effort to improve the economy and the quality of life in the Lower Mississippi Delta.

5-5-5

On May 13, Govs. Bill Clinton of Arkansas and Buddy Roemer of Louisiana and I signed a "Governor's Agreement" designed to create lines of communication among the private sector and our state governments. The tri-state pact will promote growth and development and an improved quality of life.

Under this agreement, our states will jointly study special rural cooperative initiatives including improvements in infant mortality, child day care and nutrition; reductions in the adult illiteracy rate; job training, retraining and placement; and infrastructure development and redevelopment.

A separate "International Cooperative Initiative" will encourage relations with foreign countries in the areas of international trade, industry, technology, tourism, education and culture.

Bear in mind these agreements have targeted the Lower Mississippi Delta. We are not counting on, or waiting for the federal government to solve our problems. But enactment of the Lower Mississippi Delta Development Act could be the catalyst needed to bring together government efforts at all levels in a way that will produce profound results.

6-6-6

The Lower Mississippi Delta Development Act is different. It will focus on the causes rather than the symptoms of our problems. Programs that treat symptoms rather than causes will never break the cycle of poverty that holds down the people of the Lower Mississippi Delta.

The act is not expensive. Three million dollars is a small price to pay for the enormous dividends the region and the country could reap.

The most important part of the bill involves a 12-month study of the region's long-range economic needs. We are not talking about safety net legislation. We are talking about critical planning to unearth the source of the chronic hardships that persist in the Delta.

The areas of study range from education, public health and housing to jobs creation, industrial development, infrastructure development, resource development and capital availability.

There is another reason why this legislation should be passed. I believe it is in the nation's best interest.

If we are successful in improving the plight of the Lower Mississippi Delta, the country succeeds.

7-7-7

But, conversely, we cannot have a truly vibrant country if we have pockets of despair, if there are places which do not fully share in the American Dream.

We do not anticipate that the progeny of this commission will be large amounts of money spent on dubious projects. It should result in carefully targeted efforts that will benefit people throughout the region.

Enactment of Senate Bill 2246 will allow the seven states encompassed in the bill to work together. The hope harnessed by this cooperative venture will provide our states with the information and tools necessary to develop our potential.

The commission's study will inform us; it will help you, our representatives at the federal level, to better target national resources. It will guide us toward opportunities for innovation and creativity. I urge you to help us help ourselves.

Only by attacking the problems in the region as a whole will fundamental and long-lasting results be achieved.

STATEMENT OF HON. BERYL ANTHONY, JR. A REPRESENTATIVE IN CONGRESS FROM THE STATE OF ARKANSAS

Thank you for this opportunity to address a problem that has plauged my congressional district and a major region of this country for generations. American history speaks well of the Mississippi River. In the infancy of our nation the Mississippi became the major highway of commerce. Before and after the Civil War, a rich culture developed along the Mississippi based on fertile farmland and a unique frontier character. During the War of 1812 and the American Civil War major military campaigns were waged along the Mississippi Delta that established the United States as a major world power. Today, however, another form of war is raging along the River. The battles are for job opportunities, a basic education, adequate housing, and just a decent life free from unreasonable health risk and despair.

The land-based economy of agriculture can no longer be viewed as the sole answer to problems in the Delta. We must keep striving for a farm policy to restore our farmers to their proper position in the market places of the world but the agony of the Delta rests on complex problems that farm policy alone cannot answer. For every complicated question there is a simple and wrong answer. The only way for this Congress to answer the problems of the Delta is to first recognize the complexity of the social and economic fabric of the region and then be willing to invest in its revitalization.

To begin to understand the problems of the Delta, it is necessary to look back over the last 30 years. During that period two major changes occured that altered the face of life in the Lower Mississippi River Valley. The first was the great shift in agricultural technology. Suddenly, large and powerful farm machinery was doing the work that had been the livelihood of many Delta residents for countless previous generations. Tremendous worker displacement occurred as a result.

Another major change took place in the world markets affecting low-skilled, labor-intensive manufacturing. Suddenly, textile and garment companies found they could not compete with cheap labor from overseas and were forced to close their doors along the River. Again, displacement occurred. People with few skills were more and more hardpressed to function in an ever-tightening economy.

Many left. Those that remained found litle real opportunity to fit into the new economic structure. Without jobs, heads of households failed in family support and the family unit was threatened. Soon a pattern of welfare dependence emerged. As more and more people became reliant on state and federal welfare systems, the economy continued to constrict resulting in lost revenue bases and a weakened ability for local government to provide vital services in health care and education. The entire process had a spiraling effect and once caught in the current, the area of the Delta was unable to pull itself free and catch up with the rest of the country.

The patterns of the last three decades have left a miserable print on the face of the Delta. Of the basic elements vital to the quality of life and the attraction of business, the Delta states have consistently ranked among the lowest in the 50 states. While all seven states along the Mississippi Delta share the failure of American society to evenly distribute opportunity and advantage, I would like to explain a few of the specific problems that affect the southern-most three states along the River---areas which all border my congressional district.

The Lower-Mississippi River Valley represents the area lowest in per capita income in the nation. Mississippi ranks the lowest with Arkansas and Louisiana close by. Mississippi and Arkansas rank first and second respectively in the percentage of households with annual incomes below $15,000. As a result, the poverty level of these three states is the worst in the United States. Out of the 50 states, Arkansas, Louisiana, and Mississippi rank 46th, 47th, and 50th in real personal income. Mississippi is the poorest state in the union with Louisiana ranked 2nd and Arkansas 4th. Unemployment figures show the region to be above the national average with the Delta area holding the highest unemployment rate for young people in the nation.

Health and housing facilities are grossly lacking. Many residents live in deplorable conditions. Numerous homes are without proper heating, electricity, plumbing, and many of the other basic necessities that most of us take for granted.

Inadequate housing further compounds health problems and to make matters even worse, the region has the lowest number of physicians per capita than anywhere in the country. The infant mortality rate is the highest in the country and the problem of teen-age pregnancy is shocking. Without a vehicle to serve as a catalyst for change, the downward spiral of life in the Delta will continue until it is finally consumed by its own weight and lack of direction.

This vehicle is now in the making. Concerned Members of the United States House and Senate have introduced legislation to create a study commission to come to grips with a problem that many would like to believe doesn't exist.

The Lower-Mississippi Delta Development Bill, which has the strong support of Senators Bumpers and Pryor from my own State of Arkansas as well as other distinguished Members of the Senate, is also endorsed by many of my colleagues in the House. I am proud to have been an original cosponsor of this legislation with Chairman Whitten, Representative Espy, and others.

The Delta Development legislation will finally enable the Congress to fully understand the complex and frustrating economic conditions that I have just tried to illustrate based on my own first-hand experience in the area. The commission study will provide Congress with vital information on the need for transportation infrastructure improvement, public health and housing requirements, jobs creation and industrial development. In short, everything necessary to allow the Delta to help itself.

Governor Clinton has made the issue of education a top priority for the State of Arkansas and has helped carry that message to the entire nation. Nowhere, perhaps, is the need for attention to education greater than in the Mississippi Delta. The Delta states are consistently at the very bottom of the nation in educational testing standards. In Arkansas, the counties along the River reflect the lowest test scores for both pupils and teachers alike. Children growing up in the Delta region should be entitled to the same opportunities for knowledge and hope as children growing up in other areas of the United States.

We are here to discuss legislation which will bring a new and brighter future to a major section of our country. It is our children who are the future. The Lower-Mississippi Delta Development Bill will provide an education for the Congress so that, we too, may better understand the hopes and aspirations of those children growing up in poverty along the banks of the greatest river on the continent. I urge your approval of this legislation as the first step in that understanding.

Testimony before the Senate Committees on Small Business and Environment and Public Works on S. 2246, The Lower Mississippi Delta Development Commission Act

by Mr. Levon Helm

Mr. Chairman, Members of the Committee, I want to thank you for inviting me to testify before this panel. As a native of a culturally rich but the most economically depressed region of this country, the Mississippi Delta, I feel the issue of the economic plight of this region should be not only extremely important to me and others testifying here today, but also it should be made a national priority. As most of you know, the lower Mississippi River delta has been lost in the American shuffle and for most of the last 30 or so years, we have had to sit out that long fast dance called progress. Therefore, I want to commend Senator Dale Bumpers for having introduced S. 2246 and for his efforts to call America's attention to an area which is long suffering. I would like to thank you too Senator Burdick for being here today and I appreciate each of you here taking the time to listen to me today.

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I grew up in the town of Marvell outside of West Helena, Arkansas smack dab in the middle of Phillips County, one of the poorest in the country. Phillips county, on the rich banks of the Mississippi River and near where the Arkansas and White rivers join the Mississippi, has a poverty rate of 40%, with a per capita income of $6,940, or 45.66% below the national average. We have some of the richest soil in the world yet, unemployment in November 1987 was 17.6%. The county is also among the highest in government expenditures on entitlement programs. In December, 1987, for example, 3,553 of the county's children (along with their parents or guardians) drew $303,771 in AFDC payments; 11,228 residents received food stamps amounting to $543,658; and 4,690 residents were covered by Medicaid through which medical providers are paid $1 million monthly. All of those programs add up to about $2 million monthly and $24 million a year in total expenditures in Phillips County, Arkansas.

Like many Southerners, I am proud of the heritage of the South and a way of life there which has lasted for centuries. That way of life nas been rooted in an agrarian society, nowhere more evident in the South than in the Delta. Unfortunately,the economy in the Delta can no longer rely on agriculture, and the way of life that revolves around agriculture will have to change and alter itself to a more diverse economy that can compete in the national and world marketplace. Ironically, it is those who most love the traditional South that can be the most opposed to

the change now so vitally needed. We hate to see the old ways go, and to see the South and the Delta homogenized to the rest of America, thereby losing its unique characteristics and cultural identity.

But, Mr. Chairmen, I would say that the economic depression that has beset the Delta has done more to harm that traditional way of life, that unique culture, than rapid economic development could ever undo. Just look at the statistics which indicate that young people are leaving the Delta by the thousands every year for many years now. According to the most recent Census statistics, while the rest of the nation has seen a steady increase in population growth, the counties in the Delta region have experienced about a 15% decline in population since the 70's, due not to low numbers of births, which are so high that the Delta's states rank in the top five in the nation in births per 1,000 women, but due instead to the migration of all those children once they grow up.

With each person that leaves, part of our culture leaves with them, part of our communal understanding and history. Gradually, the whole area is becoming deserted as the older generation passes on and and the young move away. We have got to provide the young with a reason to stay. We have got to give these people hope and a means of making a living in their home. I know literally dozens of people I grew up with who would give anything

to be able to move back home if they could just make a decent living.

Mr. Chairmen, while economic progress must take place, there is no reason why this progress should so drastically change our way of life that we lose our culture, that sense of who we are. That is perhaps the most important reason that this commission should pursue projects like the Delta Cultural Center in Helena, Arkansas which would help to preserve and interpret the rich cultural heritage of the Arkansas and Mississippi Delta region. Through organized events, exhibits, and programs, this center would give the people of the Delta the sense of community that is so badly needed there as well as work to preserve the region's unique cultural aspects.

I have seen the importance of doing this through my work at the Helena Blues Festival. This October will be the 3rd year that the event has taken place and I would like to take this time to invite each of you to come and join us. You could then understand what an event such as the Festival can do for the morale of the people in that area.

Again, Mr. Chairmen and members of the Committees represented here today, I thank you for you time and attention. We have many things going for us in the Mississippi Delta but in order for

this rich culture to continue we must grow economically and have folks of the Delta working for the Delta.

REMARKS IN SUPPORT OF S. 2246

Robert L. Brannon, Vice President of Corporate Communications, Holiday Corporation for the Memphis Area Chamber of Commerce

Prepared for the U.S. Senate Committee on Environment and Public Works and the U.S. Senate Committee on Small Business

June 28, 1988

This March, thirteen far-sighted Senators introduced S. 2246, a bill to establish the Lower Mississippi Delta Development Commission. Business and government leaders across the Mid-South welcome this initiative which is designed to put into place a strategic planning framework for cooperative local, state, and Federal efforts to revitalize the economic and human resources of the lower Mississippi delta region. This region encompasses portions of eastern Arkansas, southern Illinois, western Kentucky, northern Louisiana, northern Mississippi, southeastern Missouri, and western Tennessee -- a region strongly bound economically, socially, and culturally through historical north-south linkages along the Mississippi River, the Nation's pre-eminent inland waterway system.

The problems of depressed or lagging regions in advanced economies are well known and well documented by economic geographers and regional scientists. Only summary observations are needed here. Such regions have achieved a relatively high level of development in the past, but now experience unsatisfactory performance when compared to other regions or the national norm. Changes in technology, demand, world trade, and comparative locational advantage work to the detriment of such regions, especially where over-specialization in the industrial structure and under-investment in human capital have been perpetuated. There is a characteristic sequence of events ending with the decline of leading industries, bringing unemployment, age-selective outward population migration, and general economic stagnation. The air of economic depression combines with outworn towns and cities and with other environmental problems to create a situation repellent to new industrial development and investment.

This is a model that applies with special force to the lower Mississippi delta region, an area which suffers from a higher level of poverty and unemployment than any other large region of the U.S.

- Historical changes and more recent chronic recessionary forces in agriculture have had a severe negative effect on many of the agribusinesses in the region
- Stagnation in the oil industry has created persistent economic dislocation
- The long-run decline in manufacturing in the region has generated increased unemployment in many communities
- High-growth service industries have been difficult to attract to rural areas
- The absence of growth in manufacturing has limited the value added to products by firms in the area
- Low-wage rates create few opportunities for changing income patterns
- Transportation networks place some communities at a competitive disadvantage; access to an interstate may be essential for communities to compete for industries
- State-of-the-art communication systems are not available in many rural communities; communication highways of the future depend on fiber optic cables not available in rural areas
- Rural communities continue to have cyclically-sensitive employment patterns
- The region is characterized by low educational attainment and under-investment in human resources

We should quickly add that there are some bright spots. For example, Memphis in the last several years has enjoyed strong economic growth and was recently labeled by Fortune magazine as one of six cities "Where America is Booming". And there are other growth points in the lower delta that have experienced various degrees of renewed economic expansion.

So, we do have potential. Overall, preliminary research has identified a number of regional assets.

- There are pools of labor
- There are substantial investments in social capital and support infrastructure
- There is entrepreneurial experience to be drawn upon
- There are properous industries in key growth areas
- There is a strong resource base -- water, gas, land and power -- to support growth
- More and more communities in the region are beginning a belated striving for educational excellence

The problem is one of economic redevelopment and conversion rather than of de novo industrialization in the lower Mississippi delta.

But, in a real sense, this kind of problem is more complicated than developing a new under-developed region. This is because economic reconstruction will involve changes in an outdated economic status quo and nothing short of an intellectual transformation in the way business and government leadership views the region as an open system within a wider system of regions, nations, and a global economy.

We are living in a period of tremendous economic change. The philosophical assumptions of the past are no longer realistic. Old power blocs have crumbled. And, what is more significent, new contracts are being drawn between business and government. Partnership is the order of the day -- a public/private partnership -- business and government working together to do positive things that neither can accomplish alone. It's the American Way being recreated. The hope of Federal panaceas for community ills has long faded into the reality that emphasizes local and regional efforts with strong support systems from the states and federal government to tackle regional development problems. This is evidenced by powers being restored to states, and through them, the communities. Old entrenched alliances and their traditional constituencies have been successfully broken up. There is a new public attitude and it is having great influence on the way in which we manage economic and human change. Taken together, this is the "intellectual transformation" we mentioned earlier.

We are excited about a new viewpoint and a new partnership that has begun to win the support of business and government leaders from across the Mid-South. This new viewpoint and new partnership focuses on an organizational and spatial framework which transcends city, county and state boundaries and within which regional economic problems can be identified and solved. We are referring to the MID-SOUTH COMMON MARKET.

We said earlier that we need a new contract. And, there are several hundred people in large and small communities in the Mid-South region who are determined to forge this new contract among themselves and their communities through the organization of the Mid-South Common Market.

The Mid-South Common Market is an economic development coalition spanning a regional hinterland of 105 counties in 5 states with Memphis serving as the central hub.

The Common Market will:

- Promote a new spirit of partnership and cooperation that will bring economic growth to the area.
- Work to formulate a consenses economic agenda that can be embraced by educators, business people, government leaders, and the general public.
- Conduct economic and demographic analyses relating to emerging businesses, labor supply, equity and debt capital, and economic trends.
- Explore and encourage economic alternatives such as business incubator facilities, worker-owned organizations, and financial alternatives for small businesses.
- Promote the region as a unified whole to the rest of the nation and the world.
- Develop long-range planning and propose legislation which might benefit the region.

Some of the benefits associated with the Mid-South Common Market will include the following:

- Local development organizations and chambers of commerce can pool their resources and expertise to acquire more sophisticated and updated information.
- The Mid-South region can be marketed as a whole and become a more potent economic force in the nation and the world.
- Combined promotional efforts will allow smaller communities to attract more economic spin-offs from larger communities.
- More affluent areas within the region can assist poorer communities through improved communication and resource-sharing.
- Political boundaries can become more flexible and permeable through Common Market efforts.

We believe that the Mid-South Common Market concept can serve as a model to be emulated and replicated through the cooperative efforts of the Lower Mississippi Delta Development Commission as proposed in S. 2246. Those of us associated with the new Mid-South Common Market enterprise are highly supportive of the goals and objectives of S. 2246. We will be able to benefit immeasurably from the encouragement and the expanded and concerted strategic planning capabilities envisioned for the new Lower Mississippi Delta Commission. We embrace the proposal and urge you and your colleagues to work toward the passage of S. 2246.

STATEMENT BEFORE
SENATE ENVIRONMENT & PUBLIC WORKS COMMITTEE
QUENTIN N. BURDICK (N.D.), CHAIRMAN
SENATE COMMITTEE ON SMALL BUSINESS
DALE BUMPERS (ARK), CHAIRMAN
SENATE DIRKSEN OFFICE BUILDING, ROOM 410
TUESDAY, JUNE 28, 1988
9:30 AM

GOOD MORNING. MY NAME IS CHARLES DEAN AND I AM A CIVIL ENGINEER IN CLEVELAND, MISSISSIPPI. I AM PRESENTLY SERVING AS CHAIRMAN OF THE INDUSTRIAL AND COMMUNITY DEVELOPMENT DEPARTMENT OF DELTA COUNCIL. DELTA COUNCIL WAS ORGANIZED IN 1935 BY A GROUP OF FARSIGHTED BUSINESS AND AGRICULTURAL LEADERS REPRESENTING 18 DELTA AND PART-DELTA COUNTIES IN NORTHWEST MISSISSIPPI. THE MOTIVATING FACTORS BEHIND THIS ORGANIZATIONAL EFFORT INCLUDED THE HIGHLY HOMOGENEOUS NATURE OF THE PEOPLE LIVING IN THE AREA, THE REGION'S DEPENDENCE UPON AGRICULTURE FOR A SOURCE OF LIVELIHOOD, VITAL NECESSITY OF FLOOD CONTROL AND THE NEED FOR THE DEVELOPMENT OF MAJOR HIGHWAYS. THIS UNITY OF EFFORT THAT LED TO THE FORMATION OF THE COUNCIL HAS ALSO PROMPTED THE EXPANSION OF WORK FROM THOSE ORIGINAL FIELDS TO INCLUDE A PROGRAM OF ACTIVITIES RELATING TO BUSINESS, EDUCATION, RESEARCH, INDUSTRIAL DEVELOPMENT AND COMMUNITY DEVELOPMENT. TODAY, DELTA COUNCIL REPRESENTS ALL SEGMENTS OF THE AREA'S ECONOMY.

DELTA COUNCIL IS SUPPORTED BY APPROXIMATELY 4,000 DUES-PAYING MEMBERS AND BY COUNTY BOARDS OF SUPERVISORS. THE MEMBERSHIP REPRESENTS THE TOP BUSINESS, AGRICULTURAL AND PROFESSIONAL LEADERS OF THE AREA.

REPRESENTATIVES OF THESE MANY INTERESTS PARTICIPATE IN DELTA COUNCIL WORK. THEY ANALYZE THE PROBLEMS CONFRONTING THE AREA, THEN JOIN TOGETHER IN WORKING OUT CONSTRUCTIVE PROGRAMS TO SOLVE SUCH PROBLEMS AND TO FURTHER DEVELOP THE AREA AND THE STATE.

SINCE THE AREA IS STILL PREDOMINANTLY AN AGRICULTURAL AREA, A LARGE PART OF DELTA COUNCIL'S WORK IS DEVOTED TO AGRICULTURE. DELTA COUNCIL HAS ALWAYS TAKEN A LEADING PART IN THE DEVELOPMENT OF NATIONAL POLICY AS IT RELATES TO AGRICULTURE AND THE ORGANIZATION IS VERY ACTIVE IN DEVELOPING NEEDED AGRICULTURAL RESEARCH AND PROMOTING MORE EFFICIENT PRODUCTION.

IN 1957, HOWEVER, DELTA COUNCIL'S PROGRAM OF WORK WAS BROADENED TO INCLUDE A FULL-TIME INDUSTRIAL AND COMMUNITY DEVELOPMENT DEPARTMENT. THE OBJECTIVES OF THIS PROGRAM ARE TO HELP CREATE NEW JOB OPPORTUNITIES AND ATTRACT CAPITAL INVESTMENTS IN THE AREA THROUGH THE LOCATION AND EXPANSION OF BUSINESS AND INDUSTRY COMPATIBLE WITH THE AREA'S NEEDS AND NATURAL RESOURCES. DELTA COUNCIL'S INDUSTRIAL AND COMMUNITY DEVELOPMENT DEPARTMENT, IN COOPERATION WITH OTHER STATE, REGIONAL AND LOCAL DEVELOPMENT ORGANIZATIONS HAVE SUCCESSFULLY INITIATED DIVERSIFICATION EFFORTS IN THIS REGION.

SINCE 1960, THE 18 COUNTY MISSISSIPPI DELTA REGION HAS EXPERIENCED AN INCREASE IN TOTAL EMPLOYMENT OF 15,501, AND INCREASE IN THE NUMBER EMPLOYED IN MANUFACTURING OF 19,324, AND IN INCREASE IN PER CAPITA INCOME OF $ 7,562. THESE INCREASES, HOWEVER, ARE OFTEN OVERSHADOWED BY THE STILL EXISTING HIGH RATES OF UNEMPLOYMENT. ANNUAL AVERAGES OF UNEMPLOYMENT FOR 1987 CONFIRM SHARKEY COUNTY WITH 30.2%, ISSAQUENA COUNTY WITH 19.2% , HOLMES COUNTY WITH 18.7%, TUNICA COUNTY WITH 18.3% AND QUITMAN COUNTY WITH

18.2%. UNEMPLOYMENT RATES ARE PARTICULARLY HIGH AMONG THE MINORITY POPULATIONS. THE 18 COUNTY REGION OF NORTHWEST MISSISSIPPI HAS EXPERIENCED A POPULATION LOSS OF 36,000 PEOPLE SINCE 1960.

LOW PER CAPITA INCOME, LOW JOB OPPORTUNITIES AND LOW STANDARDS OF LIVING CONTINUE TO DEPRESS OUR REGION. IN THE MISSISSIPPI DELTA, 31.9% OF THE PEOPLE LIVE BELOW THE POVERTY LEVEL AS COMPARED TO 12.4% FOR THE UNITED STATES. 24.3% OF THE FAMILIES IN OUR REGION LIVE BELOW THE POVERTY LEVEL AS COMPARED TO 9.6% FOR THE U.S. IN THE MISSISSIPPI DELTA 10.0% OF THE PEOPLE LACK COMPLETE PLUMBING AS COMPARED TO ONLY 2.2% ON THE NATIONAL LEVEL. OUR PER CAPITA INCOME IS ESTIMATED TO BE $ 8,409, AS COMPARED TO ALMOST $ 14,461 FOR THE UNITED STATES. IT IS FURTHER ESTIMATED THAT 51.7% OF THE HOUSEHOLDS IN THE REGION HAVE NO HUSBAND PRESENT. THE NATIONAL FIGURE IS ONLY 30.3%. THESE STATISTICS ARE MERELY A SAMPLING OF THE SOCIO-ECONOMIC TROUBLES BEING EXPERIENCED IN OUR REGION. THEY DEMONSTRATE THE NEED FOR CREATIVE AND INNOVATIVE IDEAS TO ENHANCE THE ECONOMY OF THE AREA.

WE VIEW THE LOWER MISSISSIPPI DELTA DEVELOPMENT ACT AS ONE IDEA THAT CAN HAVE A DIRECT AND POSITIVE IMPACT ON IMPROVING THE AREAS ECONOMIC GROWTH AND PROSPERITY. THE CREATION OF JOBS AND EXPANSION OF SMALL BUSINESS ARE THE KEY TO ECONOMIC GROWTH AND REVITALIZATION OF THE REGION. IN ORDER TO STIMULATE THIS GROWTH, WE MUST ADDRESS THE AVAILABILITY OF CAPITAL, INFRASTRUCTURE DEVELOPMENT, EDUCATIONAL OPPORTUNITIES, HEALTH CARE, HOUSING, RECREATIONAL ACTIVITIES AND RESOURCE DEVELOPMENT. WE,

HOWEVER, CAN NOT DO THIS ALONE. OUR SISTER STATES ALONG THE MISSISSIPPI RIVER CORRIDOR ARE EXPERIENCING A SIMILAR SOCIO-ECONOMIC CRISIS. THEY TOO CAN NOT CORRECT THIS SITUATION ALONE. IT WILL TAKE A COOPERATIVE EFFORT OF EACH OF THE SEVEN STATES WITH SUPPORT FROM CONGRESS IF WE ARE TO SIGNIFICANTLY IMPACT THIS ECONOMICALLY DEPRESSED REGION.

BY ESTABLISHING THE LOWER MISSISSIPPI DELTA DEVELOPMENT COMMISSION, AND MANDATING THE STUDY AND RECOMMENDATION OF POLICY FOR DEVELOPMENT OF THIS REGION, WE ARE CONVINCED THAT WE CAN DEVELOP THIS IMPOVERISHED REGION. WITH YOUR SUPPORT, COMBINED WITH THE ASSISTANCE OF STATE AND LOCAL RESOURCES, WE CAN OVER TIME IMPROVE THE QUALITY OF LIFE FOR THE MANY THOUSANDS OF DISADVANTAGED PEOPLE. THERE ARE NO EASY ANSWERS AND NO QUICK SOLUTIONS TO THE ECONOMIC PROBLEMS BEING EXPERIENCED ALONG THE LOWER MISSISSIPPI RIVER CORRIDOR. WITH A COORDINATED, COOPERATIVE AND WELL PLANNED EFFORT, WE CAN ACHIEVE ECONOMIC GROWTH AND PROSPERITY. WE COMMEND YOU AND SUPPORT YOUR EFFORTS IN CREATING LEGISLATION WHICH WILL PROVIDE AN INNOVATIVE APPROACH TO ADDRESSING THE CAUSES AND ULTIMATELY ELIMINATING THE DEPRESSED ECONOMIES OF THIS SEVEN STATE AREA. YOUR INTEREST IN AND SUPPORT OF OUR AREA IS GREATLY APPRECIATED. THANK YOU FOR ALLOWING DELTA COUNCIL'S INDUSTRIAL AND COMMUNITY DEVELOPMENT DEPARTMENT TO APPEAR BEFORE YOUR JOINT COMMITTEE TO PRESENT AN OVERVIEW OF OUR REGION, THE 18 COUNTY MISSISSIPPI DELTA.

June 28, 1988
Dirksen Senate Office Building
Washington D.C.

TESTIMONY
OF
MARY DOGGETT
UNITED STATES SENATE JOINT HEARING
of the
COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS
and the
COMMITTEE ON SMALL BUSINESS

I appreciate this opportunity to carry the message of economic developers from Southeast Missouri to this hearing. As Economic Specialist for the Sikeston Development Council, I see the lower Mississippi-Delta Development Act as being an important part in the future growth hindered not by natural resources, but by lack of constructive objectives.

The Sikeston Development Council is a partnership of local government and the private sector that has cultivated an atmosphere of optimism and aggressiveness towards economic development. More than a decade ago, a power plant was built that today attracts prospects nationwide. The futuristic

outlook of the city and the committed efforts of the community has built a solid foundation from which Sikeston can expand. This fall MRM, a modern brass mill, will open its doors to production with 90 employees as a result of this foresightedness.

First, let me express my support from the grassroots level for the concept of S.2246. Also I was asked to convey the same support from the State of Missouri's Department of Economic Development (DED), Carl Koupal, Director.

Sikeston is not unique other than the fact that we have a PLAN. The lower Mississippi-Delta Development Commission symbolizes a new direction for an area rich with potential, but weak in the tools to bring about the building of prosperity.

We professionals in Missouri already work closely with each other in the

Bootheel and in turn with the State of Missouri's staff in DED. But a commission such as the one that would be created by S.2246 would first of all unify a much larger region for common good with common goals. We already have identified some of the common problems and needs.

I can not emphasize too strongly the critical need for such a study to be primarily conducted by individuals on the firing line, not solely from Washington and the state capitals.

A comprehensive long-range economic development effort with an improvement in the quality of life for those effected citizens must be perceived as their assessed needs and goals so that in turn the pride of achievement is also in

their minds.

As the commissioners study needs, an indepth look at existing programs is equally important. In many cases needs are literally gaps that need a bridge to fill. A function that a program from the federal level could effectively carry into each state's depressed areas.

The chicken or the egg first age-old-question, is very appropriate in this dialogue. Economic developers are continually reminded that to attract small and large businesses into our rural areas, transportation arteries, reasonably priced utilities, good schools (even criterion expecting community colleges), above-average health care facilities, infrastructures in place and an attrac-

tive setting for quality of life environment in which to live and rear a family must be available.

Priority ranking for most critical needs is not an easy task. But let's consider the southeast corner of the State of Missouri and begin with transportation. The one East - West highway, US 60, (going east it feeds directly into I-57) that has had many sections improved to a good four lane status, but it is disconnected and the rural areas in between are still as isolated as they were 30 or more years ago. Shipping merchandise or driving to central Missouri from Kennett, MO, deep in the Bootheel, for example, the old saying, "you can't get there from here", is an absolute fact of life.

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Several communities have been visionary and provided reasonably priced locally owned utilities, but there are deep pockets that are starkly deficient. The time is rapidly approaching when many of the areas are going to be further hampered by lack of funds to provide for safe landfills. Businesses, small and large, can not operate if their trash and sanitary sewer discharge needs are not met. Not only Missouri, but many states face this problem of waste disposal. Regional unity is the only answer to this challenge in our future.

Good education is basic to all endeavors. The illiteracy rate is appalling. The Ozarks, the mineral area, Bootheel agriculture, and the River

Hills have a common denominator in the natural resources available to accommodate growth. Yet, Southeast Missouri has 10 counties with the highest illiteracy rate in the state. So, poverty is an economic stagnation that prevails deterring cultural and economical development. To claim the ability to read and write your name is not enough. Functional literacy must be the goal initially. In today's highly technical world, education can not stop short of providing opportunities for advanced learning and/or training in vocational schools and community colleges. To make attendance feasible, it has to be near enough to the families' homes to be quick and inexpensive. As recent as Friday, I was informed that in our city an extension of a university

on the west side of the state is offering courses for the summer. After only one news story about the one time date for enrollment, 43 people appeared at the appointed time. That makes a strong statement for the need, because we are within 45 minutes of a traditional university.

The common needs of the lower Mississippi Delta region is obviously unique. Geography is the natural setting and added to that is the long-term cultural and social patterns, similar to the Appalachia area concept of needs identified and solutions provided to solve problems in the 60s.

Small business can be successful in the delta region with a plan that accentuates both nature and man. The Mississippi River serves Southeast

Missouri both in transportation and in its beauty. Yet, tourism, business, and agriculture must be protected from its destructive powers while its strengths are utilized in the form of ports, transportation, power, and attractiveness.

The national forests of Southeast Missouri have 1.34 million acres within the boundaries. Those acres serve mankind by the preservation of nature itself while Ozark and Mineral area counties suffer from lack of funding. Lack of funding means lack of law enforcement staffing in Ripley County. In Iron County 28% of the county is Federal land which prohibits expansion. Possibly some technical assistance in the form of studies could provide a plan

for the economics of scale in consolidation of law enforcement entities.

The preservation of the natural attractiveness can also be enhanced with the improvement of transportation infrastructure. Education, health care, tourism, and small business expansion are all hindered but can be developed with proper direction. Air transportation is direly needed in many communities to carry on with further expansion.

Briggs and Stratton, which recently decided to build a new plant in Poplar Bluff, cannot land their corporate planes at the Municipal Airport because of the too short runway.

In summary, let me restate to clarify, the basic needs that a LDMDC could

and should review. First the region needs some large business development as weil as a great deal of small business growth, experts feel that 70 - 80% of all new jobs are created by employers of less than 20 workers. But the needs for attracting any business is very similar. Good transportation, infrastructures in place, trained and functionally literate employees, financial assistance programs, reasonably priced and available utilities, service providers, and an attractive place to live with good health care and educational facilities available with recreational spaces in the area, are all needed to different degrees in different parts of the region.

If those enhancers are in place the lower delta regions of the Mississippi

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River will grow and prosper. But again a plan must be devised. Many of the above-listed needs are being addressed to some degree but stop just short of getting the job done. The gap can be filled with proper direction that must come from outside in many cases, especially if financial in nature.

Please provide a commission that will include in its membership at least some of the local professionals and/or local volunteers.

In many cases hands on technical assistance would be all that is needed in communities, an area in which the State of Missouri's DED serves us very well. But there also, additional funding would provide a bridge to a gap with enough people with adequate time.

By providing for the basic needs of the people in Southeast Missouri to prepare themselves and with facilities properly equipped, we have a calling card to offer potential new businesses. Those businesses, may be those small developments from within, or expansion or relocations from afar.

With this commission's creation allow us to assist in the study and a plan to help ourselves. The unification of the area with a common goal is in itself attractive to business development. Others see us as a place where good things happen.

Southeast Missourians are proud people who love the land on which they live. Their desire to improve life can be documented by the ability to

produce 25% to 35% of the states agricultural products.

With the assistance of the Lower Mississippi-Delta Development Act in coordination with the other Delta States a definitive plan of action can be developed that will enhance free enterprise and the lives of many needy but proud Americans.

NADO

NATIONAL ASSOCIATION OF DEVELOPMENT ORGANIZATIONS
400 North Capitol Street, N.W., Suite 372, Washington, D.C. 20001 202-624-7806

Testimony of:

BOB WILLIAMSON

Executive Director of the

North Central Planning and Development District

Winona, Mississippi

On Behalf of The

NATIONAL ASSOCIATION OF DEVELOPMENT ORGANIZATIONS

Before the

Committee on Small Business and the

Committee on Environment and Public Works

The United States Senate

On Legislation to Establish

The Lower Mississippi Delta Development Commission

June 28, 1988

Washington, D.C.

STATEMENT BY BOB WILLIAMSON, MEMBER OF THE NATIONAL ASSOCIATION OF DEVELOPMENT ORGANIZATIONS (NADO), BEFORE THE COMMITTEE ON SMALL BUSINESS AND THE COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS, UNITED STATES SENATE, JUNE 28, 1988

Esteemed Chairmen, members of the Committee on Small Business and the Committee on Environment and Public Works, I am Bob Williamson, Executive Director of the North Central Planning and Development District, Winona, Mississippi. The North Central Planning and Development District, a member of the National Association of Development Organizations, serves seven counties of the Delta region.

I would like to thank you for inviting NADO to be represented at these hearings today. Our members are aware of the leadership you are providing toward a better understanding of the needs of rural communities. We are pleased to take this opportunity to comment on the challenges facing rural America and particularly the needs of the lower Mississippi Delta Region.

NATIONAL ASSOCIATION OF DEVELOPMENT ORGANIZATIONS

NADO was founded in 1967 by a group of economic development districts to encourage the creation and retention of jobs in rural and small metropolitan areas. Today our members are multi-county planning and development organizations, as well as other state and local agencies, which help local governments and the private sector work together on business, community, economic and rural development programs. With a small Washington staff and a strong grassroots network NADO carries out a number of information, training and service functions.

NADO members serve rural and small metropolitan areas across the country. In the areas where our members work, they are concerned about the economic well-being of a substate region rather than a single jurisdiction. For many communities in the seven state lower Mississippi Delta, these development district staffs provide the only professional assistance to governments, businesses and citizens in the field of economic development. By working cooperatively through development districts, local governments and the private sector can maintain and create jobs with an increased opportunity for support from Washington and maximum local participation. Development districts have become an essential part of the "institutional infrastructure" in much of rural America.

For small metropolitan and rural communities, the Economic Development Administration (EDA), Appalachian Regional Commission (ARC), Farmers Home Administration (FmHA), and Small Business Administration (SBA) are the federal programs which have been of the greatest value. Since the proposed Mississippi Delta Commission would focus on regional economic development, we will focus our testimony on similar and relevant programs.

CONTINUING PROBLEMS IN THE RURAL ECONOMY

The general economic recovery of the past several years has bypassed many rural areas. including the lower Mississippi Delta. In each region of the country the metropolitan areas are outperforming the rural areas. A recent report issued by the Appalachian Regional Commission highlights the continuing distress of most rural areas, even when neighboring urban counties enjoy propsperity.

Some of the findings reported in the study include:

* "The economy of rural America is based primarily on non-agricultural employment." In rural counties there is a greater dependency on manufacturing than agriculture, and even a majority of farm families depend heavily on non-farm jobs for their livelihood.

* "Unemployment in rural America remains consistently higher than the national average." After an unprecedented period of economic growth, official national unemployment figures have fallen dramatically to 5.6 percent. In rural counties, however, unemployment is officially over 9 percent. Too often in the collection of data, the part-time, seasonal, or agricultural employment of many rural citizens is overemphasized, and underemployment of large numbers of rural people is not discussed.

* "Poverty has remained consistently higher than the national average." While one-fourth of the nation's people reside in rural America, 38 percent of the nation's poor live there. In urban areas the poverty rate hovers around 12 percent but in rural areas it exceeds 18 percent.

* "Outmigration is increasing again after it had reversed itself in the 1970s." Rural areas are losing population at record-setting rates, and in many instances it is the young adults -- the brightest and the best -- who leave to find reliable employment.

For NADO members from Maine to Mississippi these statistics and generalizations become real individuals, businesses, families, and communities in their regions. Facing these hard realities, the professional staff of development districts works with local elected officials, private sector entrepreneurs and non-profit instutitions to enable local communities to create employment and enhance their quality of life.

The report Rural Economic Development in the 1980s by the Economic Research Service (ERS) of USDA discusses many of the other barriers to rural economic development. Such problems include transportation, lack of health care, lower educational attainment, unavailability of investment capital, and inability to compete in the expanding service sector.

Rural workers usually travel farther to their jobs and normally without the benefit of public transportation. With deregulation has come the decline or loss of airline service to many small cities. Rural highways have received less federal funding in this decade. The loss of revenue sharing and the declining value of tax roles have meant that local governments are less able to maintain or improve infrastructure such as roads and bridges.

Recent years have also witnessed the disappearance of many hospitals in rural counties. Hospitals are not only a source of health care but also a major employer and a key factor in attracting new business to an area. The high rate of rural poverty and the numbers of uninsured workers add to the fiscal dilemmas of rural hospitals. Finally, insufficient medical manpower is a serious concern for many small city and rural areas.

The level of educational attainment in some rural parts of America is significantly lower than in urban areas. Particularly in the rural South, there is a high rate of high school drop-outs and fewer college educated adults. For new enterprises to develop in any area, the level of education and adaptability of the labor force is a key factor. Thus, a more educated and versatile group of potential workers may attract new employers with better paying jobs. Presently a great many of the manufacturing jobs in rural America are low-skill and low-wage positions.

The shortage of venture capital in small cities and towns of America is another serious impediment to economic development. Many rural banks have failed and others are burdened with agricultural lending. The recent trend toward loan guarantees on the part of the federal government does not help the situation because the money simply is not present in many rural communities to be loaned even with a guarantee. EDA-funded revolving loan funds, for example, need to be replenished and expanded if small businesses are to start and succeed in these localities.

The explosion of service sector jobs in our economy has largely by-passed rural counties. Those rural counties located close to major cities or enjoying an influx of retirees have attracted service sector jobs. But in the more remote areas of the country the population is too small and scattered to attract service sector jobs. Another barrier to the expansion of service sector employment is the need for better telecommunications infrastructure in rural America so that the information technologies are fully available.

In short, many of the problems faced by rural America have grown worse during the 1980s, creating in our midst distressed areas such as the Lower Mississippi Delta, where significant numbers of Americans lack employment or education or other basic ingredients of the American way of life.

THE NEED FOR FEDERAL INVESTMENT IN THE LOWER MISSISSIPPI DELTA REGION

We believe that the federal government has a responsiblity to encourage, in fact to foster, community development and economic diversification in both rural and urban areas. The fact that federal funding for rural development has been cut 74 percent since 1980 has resulted in grave damage to small town and rural America. Not all communities are equally endowed with economic resources and the effects of broad macro-economic policies do not fall evenly across the land.

We fully support the findings stated in S. 2246 which include a call for "concerted Federal, State, and local effort" to assist this region. NADO concurs that the "creation of jobs and expansion of small business offer the greatest hope for economic growth and revitalization in the region." In our experience the most valuable federal development programs are those which make

technical assistance, infrastructure improvement, and encouragement for the financing of small businesses. Of course, education, health care, transportation, housing and other services play an important supporting role in economic revitalization.

There are several interesting models for multi-state regional development which may be appropriate for the lower Mississippi Delta. These include the River Basin Commissions authorized by Title II of the Water Resources Planning Act of 1965, the Economic Development Commissions authorized by Title V of the Public Works and Economic Development Act of 1965, and federal-interstate compacts. However, I would like to single out for comment the Appalachian Regional Commission as a successful regional approach to multi-faceted economic development.

First, like the lower Delta, Appalachia is a multi-state region bound together by similar economic needs. Second, the ARC approach embodies the stated goal of this bill, the close cooperation of federal, state, and local governments. Third, the approach in Appalachia has been inclusive of many program areas including small business development, job creation, transportation, health care, housing, and so forth.

From my perspective as a twenty-year veteran of regional economic planning and development, Appalachia makes sense because it encourages local decision-making yet involves the state and federal governments in the allocation of funds. Economic development districts (or Local Development Districts as they are called in Appalachia) play a strategic role in assisting local governments set priorities, develop plans and define their needs. By facilitating a bottom-up building process and the cooperation of private and public sectors, maximum results can be achieved. The regional entity has the professional expertise to help a multi-county area move toward a better economic future.

CONCLUSION

In summary, we support the idea of a multi-state regional approach to the needs of the lower Mississippi Delta. However, we urge that the study Commission be broadened to include an equitable representation of local governments and regional planning districts or councils. If there is to be a "concerted" effort by all levels of government working in partnership, this cooperation should be implemented from the very beginning to assure maximum results.

Thank you for inviting us to testify before both committees on these issues of rural economic development which are of paramount importance to many parts of this great nation.

88-678 0 - 88 - 5

TESTIMONY

BEFORE THE

SUBCOMMITTEE ON

COMMITTEE ON

UNITED STATES SENATE

ON

HEALTH PROBLEMS OF THE LOWER MISSISSIPPI DELTA REGION

PRESENTED BY

M. JOYCELYN ELDERS, M.D.

on behalf of

ARKANSAS DEPARTMENT OF HEALTH

June 28, 1988
9:30 a.m.

Mr. Chairman and distinguished members of the Subcommittee, I am Dr. M. Joycelyn Elders, Director of the Arkansas Department of Health. I am here today representing the public health concerns in the Delta regions of Arkansas, Illinois, Kentucky, Louisiana, Mississippi, Missouri, and Tennessee as expressed by myself and the public health commissioners of some of the states involved.

My testimony will focus primarily on health problems that threaten not only the Delta but all of rural America, with the Delta regions being more adversely affected. Although one quarter of all Americans live in rural areas, and farming is one of the most hazardous occupations in America, 42% fewer health service dollars and 50% fewer social-service dollars are spent per capita in rural areas than for the U.S. average.

Rural Health

Much of the Lower Mississippi Delta region is rural, and delivering health care in rural areas presents several special problems. Among these are problems in the areas of: a) Distribution of health care workers, b) Health care facilities, c) Preventive health services, d) Quality of care, when it is available, and e) Economics of providing health care to rural areas.

1. First, let me speak about the distribution of health care workers.

Manpower is perhaps the most critical problem for rural health care. Primary care physicians, especially family practice physicians, are those most needed for rural practice, yet there are chronic shortages of these health professionals. In Arkansas, seventy-two of the seventy-five

counties are designated as fully or partially medically underserved. Those who are trained as family physicians are unlikely to find rural practice as attractive or lucrative as urban or suburban practices. In addition to a physician and nursing shortage, the Delta is plagued with other problems which adversely affect its health care systems. They include the soaring cost of medical liability, insurance, the high rate of unemployment resulting in fewer patients with insurance, increased financial distress and closings of small hospitals, and a decrease in medical reimbursement. These factors further burden a health care system that has been chronically inadequate to meet the needs of those most needy.

2. Health Care Facilities

More U.S. hospitals closed in 1987 than in any other year during the decade. One-third of the closings were concentrated in four states in the lower Mississippi Delta region. New technology has increased outpatient and ambulatory services, and rural hospitals have been disproportionately affected by lower inpatient volumes. Medicare's 1984 implementation of the prospective payment systems (PPS) resulted in Medicare paying rural hospitals 36 percent less overall than urban hospitals for providing the same services. Because of the diminishing ability of rural hospitals to keep pace with newer technology due to dollar limits, rural residents must bypass local providers in favor of urban services. The outflow of patients and dollars, which most rural communities cannot afford to lose, further threatens the viability of rural hospitals and medical practices.

A very delicate balance exists with the rural hospital, the rural physician, and the local economy. A change in the status of one drastically affects the other two. The availability of basic health care is essential for business and economic development. When communities cannot attract physicians and keep hospitals open, they lose a key element for attracting and keeping industry.

The new medical care delivery system that began in 1984 with the implementation of the Prospective Payment System (PPS) has resulted in the transition of medical care from rural America to urban referral facilities -- that may not be all bad. Many of the patients who were admitted to rural hospitals previous to 1984 are now being treated by other levels of care, (i.e., outpatient surgery, outpatient diagnostic, and treatment facilities). The low occupancy rate of rural hospitals has resulted in hospital closures, leaving rural America without primary care and emergency medical treatment. Adjustments must be made in the federal system of medical care delivery to provide a payment system for free-standing emergency centers. Present Medicare regulations require facilities to provide primarily inpatient services in order to be eligible for payment of emergency services.

Rural America must have assistance in recruiting and maintaining primary care professionals, immediate emergency medical treatment, and improved paramedical emergency transportation.

Preventive Health Services

The Lower Mississippi Delta region is not without its urban areas struggling to deliver health care to large numbers of low-income people with little or no health insurance. Forty-five percent of Tennessee's Medicaid eligible population resides in Memphis and Shelby County. Medicaid coverage itself poses a problem in Arkansas and Mississippi where some physicians won't accept the often low and delayed Medicaid reimbursement.

Ensuring access to health services for the poor is not a problem unique to the Delta. The severe poverty in the Delta, however, exacerbates the problem of access to health care. It has been hoped that private health providers and public hospitals would provide the intermittent medical treatment sought by the uninsured poor, and that underfinanced public health clinics would provide all their preventive health maintenance. We are acutely aware that many poor people fall between the cracks in this structure. They are denied continuity of care, they do not have access to primary and preventive health maintenance, and services provided are frequently fragmented. We need to revise our thinking in Health Departments for certain rural areas to provide a more comprehensive, integrated holistic approach.

Adolescent pregnancy represents an area of preventive health maintenance inadequately served. The United States has one of the highest teen-age birth rates among developed nations. Within the United States, the 10 states with the highest percentage of births to teenagers are in the South. Mississippi, Arkansas, Kentucky, Louisiana and Tennessee are among those ten states. The

Delta counties in Arkansas have the highest teen fertility, being greater than 100/1000 for the 15-19 year olds as compared to the state average of _____/1000 and U.S. average of _____/1000.

The consequences of early childbearing can be harsh for both mother and child and can often last a lifetime. Babies born to teen mothers are twice as likely to be low birthweight, a predictor of health and developmental problems. Fewer than half of the women who become mothers by age 18 ever finish high school.

Seventy-one percent of women under age 30 who receive Aid to Families with Dependent Children (AFDC) had their first child as a teenager. Unintended adolescent pregnancy clearly has a negative impact on the economy. Teen mothers contribute to an undereducated work force and long-term public assistance needs. The health and developmental problems of babies born to teens negatively impact upon the quality of the future work force. We must address these needs if we ever plan to make an impact on improving the plight of this disadvantaged group of future wage earners.

Infant Mortality is the most sensitive indicator of the health status of a locality. By that measure, the United States falls behind eighteen other industralized countries, and within U.S. boundaries, the South is the region with the worst child health outlook. Six of the seven states targeted by the Delta Development Act fall in the nation's bottom half ranking for infant mortality. The Delta regions of Arkansas, Louisiana, and Mississippi all report their states' highest infant mortality rates are along the lower Mississippi delta region.

Two-thirds of all infant mortality is related to the problems of low birthweight infants, or those babies born below 5 1/2 pounds. For every infant who dies, many more are left with handicapping conditions, requiring expensive medical care and rehabilitation.

The five factors identified as major contributors to low birthweight are:

- . poverty, unemployment, and lack of health insurance
- . inadequate nutrition
- . unintended pregnancy
- . lack of prenatal care
- . substance use

In addition to direct health care and rehabilitation costs of these deaths and disabilities, the economic costs are high. They include lost productivity, or foregone wages, of individuals who die so young or have disabilities so great that they and their parents -- who must often take time away from work to care for them -- are unable to become fully productive. The National Commission to Prevent Infant Mortality estimated that the current value of the future earnings of babies that died in 1985 would have been $10.2 to $18.9 billion.

The economic health of the Delta impacts on the availability of health care and the health status of its children who represent its future workforce. The availability, accessibility and affordability of health care is essential to business and economic development. To attempt to address the lower Mississippi Delta's economic health without addressing the health of its citizens would be shortsighted.

Health Care Financing

Current financing systems tend to pay rural health care providers less for the same service than their urban counterparts, regardless of their costs. Second, the traditional fee-for-service system is being replaced by payments based on systems of care, which are more difficult to organize in areas isolated from human and economic resources. Finally, ailing rural economies result in decreased health insurance coverage, placing both patients and providers at financial risk.

Environmental Health

The extensive farming in the region presents environmental threats resulting from the heavy use of herbicides and pesticides. Chemicals applied to farmland wash into rivers and expose both water and fish to persistent contamination. If pesticide uptake in fish becomes excessive in the region, as it has in Missouri, commercial fishing may be limited or banned entirely.

Quality of Services

The quality of medical services provided in any area is difficult to assess. In small rural communities the physician to population ratio is less than one-third that of the national rates, being 53 physicians/100,000 for rural areas 163 physicians/100,000 for metropolitan areas. The dismantling of the National Health Service Corps (NHSC) after 15 years represents a loss of one of the most important programs addressing rural health care needs and further contributes to

the deteriorating health care problem. The number of incoming physicians to rural areas continue to decrease, leaving an older age group of providers further removed from training than their urban counterparts.

We need to re-evaluate and perhaps revive some of our systems with an eye toward improved services. Your committee is to be praised for commissioning this study of the most deprived region of our nation and for including in the study an evaluation of the health care system of these deprived citizens. Thank you.

I would be happy to answer any questions.

REMARKS PERTAINING TO

LOWER MISSISSIPPI RIVER DELTA DEVELOPMENT ACT

(S. 2246)

JUNE 28, 1988

RODNEY SLATER

ARKANSAS STATE HIGHWAY COMMISSION

THE APPROXIMATELY 11 MILLION RESIDENTS OF THE LOWER MISSISSIPPI RIVER DELTA REGION SHARE A COMMON HERITAGE AND CULTURAL VALUES. WE ALSO SHARE COMMON PROBLEMS. MANY OF OUR PROBLEMS ARE DIFFERENT FROM THOSE IN OTHER AREAS OF THE COUNTRY AND EVEN OTHER PARTS OF THE COLLECTIVE STATES ENCOMPASSSING THIS REGION. ALTHOUGH WE HAVE SOME OF THE RICHEST FARM LAND IN THE COUNTRY, AND FOR THAT MATTER, THE WORLD, WE ALSO HAVE SOME OF THE POOREST PEOPLE IN THE COUNTRY. FOR MANY OF OUR CITIZENS, AGRICULTURAL WORK IS ALL THAT IS AVAILABLE. HOWEVER, THOSE JOBS HAVE BEEN DECLINING STEADILY SINCE THE 1950s AND 60s AS FARMING HAS BECOME MORE MECHANIZED.

THE MANUFACTURING ECONOMY OF THIS REGION IS ALMOST EXCLUSIVELY TIED TO TRADITIONAL INDUSTRIES...MOST NOTABLY TEXTILES AND APPAREL. UNFORTUNATELY, THE MARKET SHARE FOR DOMESTIC PRODUCERS OF THESE GOODS HAS BEEN ERODING RAPIDLY IN RECENT YEARS AS INTERNATIONAL COMPETITION HAS INCREASED.

IT IS IMPORTANT TO POINT OUT THAT WHEN WE ARE DISCUSSING ASSISTANCE THROUGH A DELTA DEVELOPMENT COMMISSION WE ARE NOT

ASKING FOR A HANDOUT. ACTUALLY, WE ARE SIMPLY ASKING THAT THE FEDERAL GOVERNMENT MAKE A COMMON-SENSE INVESTMENT IN A PART OF THE COUNTRY WITH DOCUMENTED, BUT HERETOFORE UNTAPPED, POTENTIAL.

THE 1986 REPORT OF THE SOUTHERN GROWTH POLICIES BOARD COMMISSION ON THE FUTURE OF THE SOUTH, "HALFWAY HOME BUT A LONG WAY TO GO", NOTED THE IMPORTANCE OF TRANSPORTATION TO ECONOMIC DEVELOPMENT. MOREOVER, THE REPORT OF THE COMMISSION, WHICH WAS CHAIRED BY ARKANSAS' GOVERNOR BILL CLINTON, AS WELL AS NUMEROUS OTHER REPORTS POINT OUT THE RICH POTENTIAL OF THE MISSISSIPPI DELTA REGION AND OFFER CONCRETE RECOMMENDATIONS THAT WILL TRANSFORM THIS PART OF OUR NATION INTO A NATIONAL ASSET.

LET'S BE SPECIFIC ABOUT WHAT THE DELTA HAS TO OFFER. FIRST AND FOREMOST, IT POSSESSES SOME OF THE MOST FERTILE AND PRODUCTIVE FARMLAND IN THE WORLD, COMBINED WITH AN ABUNDANT WATER SUPPLY, AND COMMITTED WORKERS.

SECONDLY, THE DELTA POSSESSES A QUALITY OF LIFE WITH MANY DESIRABLE FEATURES, INCLUDING A BENIGN CLIMATE, RELATIVELY LOW TAXES AND AMPLE RECREATIONAL OPPORTUNITIES.

FINALLY, THE DELTA IS LOCATED IN THE EPICENTER OF THE NATION'S GROWTH AREAS. LAST WEEK, I ATTENDED A CONFERENCE SPONSORED BY THE TRANSPORTATION RESEARCH BOARD TO DISCUSS FUTURE TRANSPORTATION DIRECTIONS TO THE YEAR 2020. ONE OF THE PRINCIPLE

FINDINGS WAS THAT MAIN GROWTH AREAS DURING THE NEXT 30 YEARS WILL BE THE WEST AND THE SOUTH. THE DELTA'S STRATEGIC LOCATION PERTAINING TO THE GROWTH AREAS PROVIDES TREMENDOUS POTENTIAL FOR FOOD PRODUCTION AND JUST-IN-TIME MANUFACTURING OPPORTUNITIES.

UP UNTIL NOW, ONLY LIMITED SUCCESS HAS BEEN MADE AT ATTEMPTS TO ATTRACT AND LOCATE INDUSTRY IN THE REGION. ONE OF THE STUMBLING BLOCKS HAS BEEN THE LACK OF ADEQUATE TRANSPORTATION FACILITIES. THE MISSISSIPPI RIVER ITSELF, ALTHOUGH A MAJOR TRANSPORTATION ASSET AS THE THIRD LONGEST AND THIRD MOST TRAVELED RIVER IN THE WORLD, PROVIDES A BARRIER TO TRAVEL IN THE REGION. THERE ARE ONLY A FEW CROSSING POINTS, THUS LIMITING EAST-WEST TRANSPORTATION OPPORTUNITIES.

RECENT LEGISLATION AUTHORIZED THE STATES OF ARKANSAS AND MISSISSIPPI TO FORM WHAT IS KNOWN AS THE GREAT RIVER BRIDGE COMPACT. THE GOAL OF THIS COMPACT IS TO WIN FEDERAL APPROVAL OF A RAIL/HIGHWAY CROSSING BETWEEN ROSEDALE, MISSISSIPPI AND EASTERN ARKANSAS IN THE VICINITY OF DUMAS. SUCH A BRIDGE ACROSS THE MISSISSIPPI RIVER WOULD OPEN UP AN ENTIRE NEW REGION TO DEVELOPMENT.

IMPROVED TRANSPORTATION FACILITIES THROUGHOUT THE LOWER MISSISSIPPI RIVER DELTA WILL ENHANCE THE REGION'S CHANCES FOR ECONOMIC DEVELOPMENT.

AS I MENTIONED BEFORE, THE DELTA HAS RICH POTENTIAL FOR ECONOMIC EXPANSION, BUT ASSISTANCE IS NEEDED TO TRIGGER THIS EXPANSION.

THE DELTA CAN NO LONGER BE JUST AN EXPORTER OF BULK FOOD PRODUCTS. STEPS MUST BE TAKEN TO CAUSE VALUE ADDED PROCESSING TO OCCUR IN THE SAME AREAS WHERE THE FOOD IS GROWN. BY ASSEMBLING, PROCESSING, COOKING, PREPARING, PACKAGING AND DISTRIBUTING FOOD PRODUCTS GROWN IN THE DELTA, CRITICALLY NEEDED JOBS WILL BE PROVIDED, LOCAL ECONOMIES CHANGED, AND PERHAPS MORE IMPORTANTLY, THE EFFICIENCIES OF DELTA LOCATIONS WILL RESULT IN GREATER PROFITS FOR THE PROCESSORS AND LOWER COSTS FOR THE CONSUMERS.

SIMILARLY, MANUFACTURING, SUB-ASSEMBLY OPERATIONS, DISTRIBUTION CENTERS AND OTHER INDUSTRIAL ACTIVITIES CAN ALL BENEFIT FROM DELTA ADVANTAGES.

BUT FIRST, A FEW AREAS OF CAPITAL INVESTMENT MUST BE PROVIDED.

RECENT STUDIES BY THE VARIOUS PLANNING AND DEVELOPMENT DISTRICTS IN ARKANSAS HAVE POINTED OUT THE ADVANTAGES OF GOOD HIGHWAYS. THESE STUDIES WERE REQUESTED BY THE STATE HIGHWAY COMMISSION TO AID US IN PLANNING A LONG-RANGE HIGHWAY IMPROVEMENT PROGRAM FOR THE ENTIRE STATE. OTHER DELTA STATES HAVE PROPOSED SIMILAR PROGRAMS. THE STATES OF TENNESSEE, MISSISSIPPI, AND MISSOURI HAVE BEGUN MAJOR HIGHWAY AND IMPROVEMENT PROGRAMS TO STIMULATE ECONOMIC ENHANCEMENT.

OUR WORK IS JUST BEGINNING IN REGARD TO ANALYZING THESE STUDIES AND DEVELOPING A COMPREHENSIVE PROGRAM WHICH WE WILL BE PRESENTING TO THE STATE LEGISLATURE NEXT YEAR.

HUNDREDS OF BUSINESSMEN, INDUSTRIALISTS AND ELECTED OFFICIALS WERE POLLED BY THE PLANNING DISTRICTS AND THE MAJORITY OF THEM SAID THAT IN THEIR EFFORTS TO RECRUIT INDUSTRY THEY FOUND IT NECESSARY FOR THEIR INDUSTRIAL SITES TO BE LOCATED ON OR NEAR A FOUR-LANE HIGHWAY.

ANOTHER IMPORTANT RESULT OF THE SURVEY WAS THAT NEARLY EVERYONE POLLED THOUGHT IMPROVED HIGHWAYS WOULD STIMULATE GROWTH IN THEIR COMMUNITIES AND RESULT IN NEW JOBS.

AS YOU HAVE HEARD TODAY, NEW JOBS ARE IMPORTANT TO THE LOWER MISSISSIPPI RIVER DELTA. THE HIGHEST UNEMPLOYMENT RATES IN ARKANSAS ARE IN DELTA COUNTIES. A RECENT REPORT ON APRIL UNEMPLOYMENT RATES SHOWED THAT TEN OF THE TWENTY COUNTIES IN ARKANSAS WITH THE HIGHEST UNEMPLOYMENT RATES ARE LOCATED IN THE MISSISSIPPI DELTA REGION. ALL OF THE TOP FIVE COUNTIES ARE LOCATED IN THIS REGION, WITH UNEMPLOYMENT RATES RANGING FROM 26.9 PERCENT IN ST. FRANCIS COUNTY TO 15.8 PERCENT IN CHICOT COUNTY. THIS IS A SHARP CONTRAST TO THE 3.4 PERCENT IN SCOTT COUNTY, 3.5 PERCENT IN BENTON COUNTY AND 3.7 PERCENT IN WASHINGTON COUNTY - ALL LOCATED IN WESTERN ARKANSAS.

THERE ARE APPROXIMATELY 8,500 MILES OF HIGHWAYS IN THE 42 COUNTIES THAT MAKE UP THE MISSISSIPPI DELTA REGION OF ARKANSAS. IT GOES WITHOUT SAYING THAT THESE HIGHWAYS ARE OUR LIFELINES. THEY PROVIDE THE DIRECT CONNECTION FOR ARKANSAS PRODUCTS TO MAKE THEIR WAY TO CONSUMERS THROUGHOUT THE UNITED STATES AND THE WORLD.

THE APPALACHIAN REGION COMMISSION HAS REPORTED THAT A MAJORITY OF THE FUNDS PROVIDED FOR THE DEVELOPMENT OF THAT REGION HAVE BEEN SPENT ON IMPROVED TRANSPORTATION FACILITIES. ACCORDING TO THE WINTER 1988 JOURNAL OF THE COMMISSION, OF THE 695,000 JOBS CREATED BETWEEN 1980 AND 1986, 81 PERCENT WERE IN THE 241 APPALACHIAN COUNTIES TRAVERSED BY AN APPALACHIAN CORRIDOR OR INTERSTATE HIGHWAY.

A RECENT REVIEW OF MANUFACTURING PLANTS IN ARKANSAS BEARS OUT SIMILAR FINDINGS. OF THE 291 COMMUNITIES IN ARKANSAS WITH MANUFACTURING PLANTS, 59, OR APPROXIMATELY 20 PERCENT, ARE LOCATED ON A FOUR-LANE HIGHWAY. THESE COMMUNITIES ARE REPRESENTED WITH OVER 41 PERCENT OF THE TOTAL MANUFACTURING PLANTS.

AS WE LOOK AT RECENT ECONOMIC HISTORY, THE EXPANDED USE OF OUR TRANSPORTATION NETWORKS, ALONG WITH THE USE OF BETTER SKILLED, EDUCATED WORKERS, ARE THE KEYS IN THE SUCCESS OF OUR COUNTRY IN TODAY'S GLOBAL MARKETPLACE.

SOME IMPORTANT STEPS HAVE ALREADY BEEN TAKEN. ON MAY 13 OF THIS YEAR, THE GOVERNORS OF ARKANSAS, LOUISIANA AND MISSISSIPPI MET TO PLACE IN MOTION A PLAN TO CURE THE ECONOMIC PROBLEMS IN THESE STATES AND EXPLOIT THEIR VAST POTENTIAL. THE THREE STATES WILL NO LONGER COMPETE WITH EACH OTHER, BUT INSTEAD, WILL COOPERATE IN EFFORTS THAT WILL RESULT IN ECONOMIC ENHANCEMENT FOR THE ENTIRE REGION.

THE DELTA'S STRATEGIC MID-AMERICAN LOCATION ALLOWS US TO MANUFACTURE A VARIETY OF PRODUCTS ONLY IF OUR ROAD SYSTEM IS SUFFICIENT ENOUGH TO ALLOW DELIVERY OF THOSE PRODUCTS TO THE POPULATION CENTERS OF THE UNITED STATES.

STUDIES HAVE CLEARLY SHOWN THAT GROWTH AND DEVELOPMENT PATTERNS IN ARKANSAS HAVE FOLLOWED OUR TRANSPORTATION FACILITIES. THE VAST MAJORITY OF MANUFACTURING PLANTS IN OUR STATE ARE LOCATED ON OR NEAR THE INTERSTATE HIGHWAYS AND OTHER FOUR LANE CORRIDORS. OTHER STATES IN THE DELTA REGION HAVE EXPERIENCED SIMILAR DEVELOPMENT.

THIS CLEARLY SHOWS THAT GOOD ROADS ARE GOOD FOR BUSINESS, BUSINESS DEVELOPMENT, AND THE COMMUNITIES SERVED BY THOSE BUSINESSES. IF ARKANSAS AND THE OTHER STATES IN THE MISSISSIPPI DELTA REGION ARE GOING TO CONTINUE TO BE COMPETITIVE IN THE ECONOMIC DEVELOPMENT MARKETPLACE, WE HAVE TO HAVE A TRANSPORTATION NETWORK THAT CAN ACCOMMODATE FUTURE GROWTH AS WELL AS ENCOURAGE IT. THE CONNECTION BETWEEN TRANSPORTATION AND ECONOMIC OPPORTUNITY IS CLEAR. GOOD HIGHWAYS ARE BECOMING A CRUCIAL ELEMENT IN THE DEVELOPMENT OF THE REGION AS A WHOLE.

IF OUR TRANSPORTATION SYSTEM IS NOT ATTRACTIVE AND CAPABLE EFFICIENTLY AND EFFECTIVELY MEETING THE DEMANDS OF BUSINESS, THE POTENTIAL OF EXISTING BUSINESSES WILL BE STIFLED AND NEW BUSINESS AND INDUSTRY WILL NOT LOCATE THERE. THAT MEANS WE ARE GOING TO LOSE JOBS...WE'RE GOING TO LOSE OPPORTUNITIES...WE'RE GOING TO

LOSE OUR BEST YOUNG PEOPLE...AND WE'RE GOING TO LOSE MUCH-NEEDED REVENUES THAT ARE GENERATED BY AN EXPANDING ECONOMY.

IMPROVED HIGHWAYS ALONE WILL NOT CURE THE ILLS OF THE DELTA. HOWEVER, IMPROVED HIGHWAYS COUPLED WITH WISE FEDERAL INVESTMENTS, GAINS IN EDUCATION, INNOVATIVE INDUSTRIAL AND BUSINESS PROMOTION, AND SOCIAL PROGRAM IMPROVEMENTS WILL MOVE THE DELTA REGION OUT OF ITS CURRENT CRISIS AND START IT ON THE ROAD TO PROSPERITY THAT WILL BENEFIT THE REGION AND THE NATION.

I WANT TO THANK THIS COMMITTEE FOR ALLOWING ME TIME TO ADDRESS THIS PRESSING PROBLEM. I WILL BE GLAD TO ANSWER ANY QUESTIONS THE MEMBERS MAY HAVE.

DELTA STATE UNIVERSITY
Cleveland, Mississippi 38733

Office of the
PRESIDENT

STATEMENT BEFORE
SENATE ENVIRONMENT & PUBLIC WORKS COMMITTEE
QUENTIN N. BURDICK (N.D.), CHAIRMAN
SENATE COMMITTEE ON SMALL BUSINESS
DALE BUMPERS (ARK), CHAIRMAN
SENATE DIRKSEN OFFICE BUILDING, ROOM 410
TUESDAY, JUNE 28, 1988
10:00 AM

GOOD MORNING. I AM KENT WYATT. I SERVE AS PRESIDENT OF DELTA STATE UNIVERSITY, A STATE-SUPPORTED UNIVERSITY IN CLEVELAND, MISSISSIPPI, SERVING ABOUT 3500 STUDENTS. DELTA STATE IS LOCATED IN THE VERY HEART OF A NINETEEN COUNTY AREA OF MISSISSIPPI KNOWN AS THE DELTA.

AS PRESIDENT OF DELTA STATE UNIVERSITY FOR THE LAST THIRTEEN YEARS AND A LIFELONG RESIDENT OF MISSISSIPPI, I HAVE HAD AMPLE OPPORTUNITY TO VIEW FIRSTHAND AND TO CONTEND WITH THE EDUCATIONAL PROBLEMS WHICH FACE MISSISSIPPI AND THE SURROUNDING AREA. TODAY I WOULD LIKE TO CALL YOUR ATTENTION TO THOSE PROBLEMS IN MY HOME STATE, RECOGNIZING THAT THEY ARE CHARACTERISTIC OF CONDITIONS THROUGHOUT THE LOWER MISSISSIPPI RIVER VALLEY.

FIRST, I CALL YOUR ATTENTION TO THE FACT THAT EDUCATIONAL ATTAINMENT LEVELS IN MISSISSIPPI ARE AMONG THE LOWEST IN THE NATION. 27% OF THE STATE'S POPULATION HAVE 8 OR FEWER YEARS OF EDUCATION COMPARED TO 18% NATIONALLY. WE RANK 47TH IN THE PERCENT OF ADULT POPULATION GRADUATING FROM HIGH SCHOOL. 55% OF OUR POPULATION HAS

COMPLETED HIGH SCHOOL COMPARED WITH 67% NATIONALLY. IN OUR SPECIFIC UNIVERSITY SERVICE AREA, THE MISSISSIPPI DELTA, CONDITIONS ARE MUCH WORSE. THE HIGH SCHOOL GRADUATION RATE IS 46%, A FULL 21 PERCENTAGE POINTS BELOW THE NATIONAL AVERAGE. AMONG BLACKS, WHICH COMPRISE 36% OF OUR STATE POPULATION, THE PERCENTAGE OF HIGH SCHOOL GRADUATES IN MISSISSIPPI IS 33%. IN THE DELTA IT IS ONLY 28%.

WITH FEWER THAN HALF OF THE MISSISSIPPI DELTA ADULT POPULATION COMPLETING HIGH SCHOOL, WE FIND OURSELVES AT A SERIOUS DISADVANTAGE IN TERMS OF ECONOMIC DEVELOPMENT. THE LACK OF EDUCATIONAL ATTAINMENT AMONG OUR POPULATION IS A SERIOUS DETERRENT TO ECONOMIC GROWTH. CONSEQUENTLY WE DO NOT BENEFIT FROM THE FINANCIAL ADVANTAGES TO BE DERIVED FROM A VIBRANT ECONOMY, ADVANTAGES SO DESPERATELY NEEDED TO FUND QUALITY SCHOOLS.

MISSISSIPPI ALSO LAGS FAR BEHIND NATIONAL AVERAGES AMONG K-12 STUDENTS IN EDUCATIONAL ACHIEVEMENT. THE MOST ALARMING STATISTIC IS THAT THIS GAP IS PRESENT AS EARLY AS KINDERGARTEN. AN ANALYSIS OF THE MOST RECENT SCORES OF THE STANFORD ACHIEVEMENT TEST, THE MOST WIDELY USED NATIONAL TEST OF ACADEMIC ACHIEVEMENT, SHOWS THAT MISSISSIPPI KINDERGARTEN CHILDREN ARE AT THE 46TH PERCENTILE IN READING AND MATHEMATICS. IN THE DELTA THEY ARE ONLY AT THE 40TH PERCENTILE. THESE LOW PERCENTILES REMAIN RELATIVELY CONSTANT THROUGHOUT THE STUDENTS' SCHOOLING. THE EDUCATIONAL DEFICIT OF SCHOOL CHILDREN IN THE MISSISSIPPI DELTA IS FURTHER CONFIRMED BY EXAMINING SCORES ON THE STATE'S OWN FUNCTIONAL LITERACY EXAM (FLE) AND THE BASIC SKILLS ASSESSMENT PROGRAM (BSAP). ON BOTH OF THOSE TESTS DELTA STUDENTS PERFORM FAR BELOW STUDENTS FROM OTHER REGIONS OF THE STATE.

AMONG HIGH SCHOOL GRADUATES TAKING THE ACT COLLEGE ENTRANCE EXAMINATION, MISSISSIPPI'S AVERAGE COMPOSITE SCORE OF 15.5 IS THE LOWEST IN THE NATION. LOW TEST SCORES PROHIBIT MANY STUDENTS FROM MEETING THE ADMISSION REQUIREMENTS OF FOUR-YEAR SCHOOLS. A RECENT SURVEY BY THE MISSISSIPPI STATE DEPARTMENT OF EDUCATION INDICATED THAT ONLY 29% OF 1986-87 GRADUATING SENIORS IN THE PUBLIC SCHOOLS OF THE MISSISSIPPI DELTA PLANNED TO ATTEND A FOUR-YEAR COLLEGE. MISSISSIPPI ALSO HAS A VERY LOW PERCENTAGE OF STUDENTS ENROLLED IN HIGHER EDUCATION. THE MISSISSIPPI AVERAGE IS 32% COMPARED TO 42% NATIONALLY. ONLY 12% OF THE MISSISSIPPI POPULATION HAS A COLLEGE DEGREE. THIS MEAGER HIGHER EDUCATION PARTICIPATION RATE SERVES AS A DETERRENT TO ENHANCEMENT OF THE STATE LABOR FORCE. FROM 1980 TO 1988 MISSISSIPPI SUFFERED A 4% DECLINE IN THE NUMBER OF PEOPLE EMPLOYED IN HIGH TECHNOLOGY JOBS.

BECAUSE OF A LIMITED TAX BASE, MISSISSIPPI RANKS AT, OR NEAR, THE BOTTOM OF ALL INDICATORS OF FINANCIAL SUPPORT FOR EDUCATION. IN SPITE OF SIGNIFICANT ACCOMPLISHMENTS THROUGH EDUCATIONAL REFORM, THE STATE STILL SUFFERS THE EDUCATIONAL INEQUITIES THAT RESULT FROM INADEQUATE FUNDING.

AT THE K-12 LEVEL MISSISSIPPI HAS CONSISTENTLY RANKED AT THE BOTTOM IN TEACHER SALARIES. IN SPITE OF RECENT LEGISLATION THAT PROMISES A SIGNIFICANT INCREASE IN SALARIES, THE STATE STILL LAGS SOME $8000 BEHIND THE NATIONAL AVERAGE. AT THE POSTSECONDARY LEVEL THE AVERAGE SALARY FOR A COLLEGE PROFESSOR IN MISSISSIPPI IS $9600 BELOW THE NATIONAL AVERAGE.

IN PUBLIC SCHOOL EXPENDITURES PER PUPIL, MISSISSIPPI SPENT $2205 IN 1985, THE LOWEST IN THE UNITED STATES. A COMPARISON OF THIS FIGURE

WITH PER PUPIL EXPENDITURES IN OTHER STATES COMPARABLE TO MISSISSIPPI IN POPULATION SHOWS THE MAGNITUDE OF THE PROBLEM. KANSAS SPENT $3368 PER PUPIL. OKLAHOMA SPENT $3264 AND IOWA, $3409. SUCH A DISPARITY INSURES THAT MISSISSIPPI STUDENTS WILL ENTER COLLEGE AND/OR THE LABOR FORCE WITH LESS TRAINING AND A POORER QUALITY OF EDUCATION THAN STUDENTS IN THE REST OF THE COUNTRY.

FUNDING FOR HIGHER EDUCATION IN MISSISSIPPI IS SIMILARLY UNDERFUNDED. IN 1986-87 MISSISSIPPI RANKED LAST IN THE SOUTH IN STATE APPROPRIATIONS PER FULL-TIME STUDENT. ITS EXPENDITURE OF $4194 PER STUDENT WAS $1000 LESS THAN SISTER STATES SUCH AS GEORGIA AND NORTH CAROLINA. THIS UNDERFUNDING OCCURS IN SPITE OF THE FACT THAT MISSISSIPPI'S INVESTMENT IN HIGHER EDUCATION (TAX EXPENDITURES PER $1000 PERSONAL INCOME) OF $13.49 IS AMONG THE HIGHEST IN THE SOUTH.

MISSISSIPPI'S ABILITY TO PROVIDE ADEQUATE APPROPRIATIONS TO HIGHER EDUCATION HAS BEEN HAMPERED BY A LACK OF AVAILABLE TAX REVENUES.

FOR EXAMPLE, AT MY OWN INSTITUTION, WE RECEIVED A 23% REDUCTION IN STATE FUNDS TWO YEARS AGO BECAUSE OF CONTINUING SHORTFALLS IN REVENUES DUE TO A SAGGING ECONOMY. WE TERMINATED OVER 50 POSITIONS, ELIMINATED PROGRAMS AND MADE DRASTIC CUTS IN SERVICES. ONE RESULT OF THOSE CUTBACKS IS THAT A DISPROPORTIONATE SHARE OF THE FINANCIAL RESPONSIBILITY OF EDUCATIONAL COSTS HAS BEEN SHIFTED TO STUDENTS. TUITION

AS A PORTION OF THE COST OF PUBLIC HIGHER EDUCATION IS 33% IN MISSISSIPPI COMPARED WITH 23% NATIONALLY. THE STATE IS CAUGHT IN A "CATCH-22". IT MUST TURN TO EDUCATION AS THE KEY TO ITS FUTURE, BUT CANNOT CONTINUE TO PLACE THE BURDEN OF ADDITIONAL TAXES AND TUITION ON THE CITIZENS OF A STATE THAT RANKS LAST IN PER CAPITA INCOME.

A RECENT EXTERNAL EVALUATION OF POSTSECONDARY EDUCATION UNDER THE DIRECTION OF THE BOARD OF TRUSTEES OF INSTITUTIONS OF HIGHER LEARNING FOR THE STATE OF MISSISSIPPI CONCLUDED THAT MISSISSIPPI'S UNIVERSITIES: (1) ARE SIGNIFICANTLY UNDERFUNDED TO PERFORM THE TEACHING, RESEARCH AND PUBLIC SERVICE MISSIONS WHICH THE STATE IS ASKING OF THEM, (2) DO NOT HAVE THE RESOURCES TO BE COMPETITIVE IN A NATIONAL MARKET FOR THE BEST MINDS TO FILL FACULTY TEACHING AND RESEARCH POSITIONS, AND (3) HAVE SHIFTED A SIGNIFICANT PART OF THE RESPONSIBILITY FOR FINANCING THE UNIVERSITIES TO STUDENT TUITION AND FEES AT THE VERY TIME IN HISTORY WHEN THE STATE NEEDS TO BE DOING EVERYTHING IT CAN TO ENCOURAGE, NOT DISCOURAGE GREATER PARTICIPATION IN HIGHER EDUCATION ENROLLMENT. THE STUDY CONCLUDED WITH THE STATEMENT THAT MISSISSIPPI'S CITIZENS ARE SPENDING A HIGHER PROPORTION OF THEIR PERSONAL INCOMES ON HIGHER EDUCATION THAN ALL BUT THREE SOUTHERN STATES.

REGARDLESS OF THE FUNDING OF EDUCATION IN MISSISSIPPI, THE STATE'S PUBLIC SCHOOLS AND UNIVERSITIES WILL REMAIN

HANDICAPPED BY THE ECONOMIC CHAINS THAT HAVE HELD THE STATE BACK FOR DECADES. MANY OF THE STUDENTS SERVED BY THE SCHOOLS OF THE STATE SUFFER FROM SUCH ECONOMIC DEPRIVATION THAT EDUCATING THEM IS AN INSURMOUNTABLE CHALLENGE. SUCCESS IN EDUCATION IN THE LOWER MISSISSIPPI RIVER VALLEY IS INEXTRICABLY LINKED TO THE ELIMINATION OF THESE OBSTACLES. OUR STUDENTS COME FROM HOMES THAT KNOW IMPOVERISHMENT AS A WAY OF LIFE. THEIR PARENTS RESIDE IN A STATE THAT RANKS 50TH IN PER CAPITA INCOME AND MEDIAN FAMILY INCOME, 49TH IN AVERAGE LIFE EXPECTANCY, FIRST IN INFANT MORTALITY, AND SECOND IN ILLITERACY AMONG THE POPULATION.

A RECENT STUDY BY A RESEARCHER AT OUR UNIVERSITY REVEALED THAT THE PERCENTAGE OF STUDENTS IN A SCHOOL ON A FREE LUNCH PROGRAM IS THE MOST RELIABLE PREDICTOR OF SUCCESS OR FAILURE ON TESTS OF EDUCATIONAL ACHIEVEMENT IN THAT SCHOOL. IT WAS ALSO CONCLUDED THAT A FREE LUNCH PROGRAM WAS THE MOST RELIABLE PREDICTOR OF PUPIL DROP-OUT.

THESE FINDINGS ESTABLISHED A CLEAR RELATIONSHIP BETWEEN AN ECONOMIC INDICATOR, PARTICIPATION IN THE FREE LUNCH PROGRAM, AND EDUCATIONAL ACHIEVEMENT. THE FINDINGS ALSO DRAMATIZE THE PROBLEMS FACING MISSISSIPPI WHERE 69% OF THE STATE'S SCHOOL CHILDREN (K-12) PARTICIPATE IN THE FREE LUNCH PROGRAM. IN THE MISSISSIPPI DELTA THE PARTICIPATION IS 91%. THERE IS LITTLE DOUBT THAT STUDENTS IN MISSISSIPPI, AND PARTICULARLY THOSE IN THE DELTA, ARE HEADED FOR EDUCATIONAL

FAILURE. INTERVENTION, BOTH ECONOMICALLY AND EDUCATIONALLY, ARE ESSENTIAL IF THEY ARE TO BE SAVED.

OUR INSTITUTION HAS WORKED HARD IN RECENT YEARS TO STRENGTHEN THE LINK BETWEEN EDUCATION AND ECONOMIC DEVELOPMENT. SEVERAL YEARS AGO, WE ESTABLISHED THE SMALL BUSINESS DEVELOPMENT CENTER TO PROVIDE INDIVIDUAL COUNSELING TO AREA BUSINESSES. THIS YEAR, WE ESTABLISHED A DELTA MANUFACTURING ASSISTANCE CENTER TO ASSIST PEOPLE WHO WANT TO EXPAND OR CREATE MANUFACTURING BUSINESSES IN THE MISSISSIPPI DELTA. OUR NEXT GOAL IS TO ESTABLISH A MINORITY BUSINESS DEVELOPMENT CENTER THAT WOULD TARGET COUNSELING AND TECHNICAL ASSISTANCE SERVICES TO MINORITY-OWNED SMALL BUSINESSES. FOR PROGRAM OF THIS TYPE TO BE IMPLEMENTED AND REMAIN VIABLE, WE NEED FUNDING BEYOND THE STATE'S CURRENT CAPACITY. MOREOVER, WE FIND OURSELVES IN CONTINUAL NEED OF FUNDING TO SUPPORT ALL TYPES OF PROGRAMS THAT CAN IMPACT ON THE SOCIO-ECONOMIC AND EDUCATIONAL NEEDS OF THE DELTA.

MISSISSIPPI'S SCHOOLS FACE STILL OTHER CHALLENGES. MISSSISSIPPI LEADS THE NATION IN THE PERCENTAGE OF CHILDREN UNDER 18 WHO ARE BELOW THE POVERTY LEVEL. APPROXIMATELY ONE OUT OF EVERY THREE SCHOOL CHILDREN IN MISSISSIPPI FALLS BELOW THE POVERTY LEVEL. THE NATIONAL AVERAGE IS HALF THAT AT 16%. MISSISSIPPI RANKS THIRD BEHIND NEW MEXICO AND HAWAII IN THE PERCENTAGE OF MINORITIES ENROLLED IN INSTITUTIONS OF HIGHER EDUCATION. 33% OF THE HIGHER EDUCATION ENROLLMENT IN

MISSISSIPPI IS MINORITY COMPARED TO 16% NATIONALLY. THE CUMULATIVE EFFECTS OF LOW SOCIO-ECONOMIC STATUS PLACES MANY OF THESE STUDENTS AT RISK EVEN BEFORE THE UNIVERSITY GETS THEM. WE MUST FIND WAYS TO ENHANCE THE EDUCABILITY OF MINORITY STUDENTS THROUGH A REDUCTION OF SOCIO-ECONOMIC BARRIERS. ALSO THE STATE HAS THE HIGHEST TEENAGE PREGNANCY RATE IN THE NATION. AS BABIES ARE BORN TO CHILDREN WHO HAVE NEITHER THE KNOWLEDGE NOR THE RESOURCES TO PARENT EFFECTIVELY, THE SCHOOLS WILL INHERIT YET ANOTHER GENERATION OF CHILDREN DOOMED TO EDUCATIONAL AND ECONOMIC FAILURE -- AND THE CYCLE WILL CONTINUE.

MISSISSIPPI IS GROWING. DURING THE NEXT TWENTY-FIVE YEARS THE STATE POPULATION WILL INCREASE 32%. OUR EDUCATIONAL SYSTEM WILL FACE THE DIFFICULT TASK OF EDUCATING THESE NEW CITIZENS AS WELL AS SOLVING THE PROBLEMS THAT HAVE HISTORICALLY KEPT MISSISSIPPI AT OR NEAR THE BOTTOM ON ALL ECONOMIC AND EDUCATIONAL INDICES.

THE STATE OF MISSISSIPPI AND ITS NEIGHBORS IN THE LOWER MISSISSIPPI DELTA MUST ADOPT AN AGGRESSIVE ROLE IN MEETING THE ECONOMIC, SOCIAL AND EDUCATIONAL CHALLENGES BEFORE US. THE LOWER MISSISSIPPI DELTA DEVELOPMENT COMMISSION WOULD BE AN ALLY IN THIS EFFORT. IT WOULD PROVIDE US WITH THE BLUEPRINT WE NEED FOR ECONOMIC AND EDUCATIONAL RECOVERY.

IN CLOSING I WOULD LIKE TO OFFER MY THANKS TO THE COMMITTEE FOR ALLOWING ME THE OPPORTUNITY TO TESTIFY TODAY

AND FOR ITS INTEREST IN ADDRESSING THE PROBLEMS THAT FACE THE CITIZENS OF THE LOWER MISSISSIPPI RIVER VALLEY. THE PROBLEMS HAVE FACED US FOR DECADES AND HAVE NO QUICK SOLUTIONS. BUT WITH THE ESTABLISHMENT OF THE LOWER MISSISSIPPI DELTA DEVELOPMENT COMMISSION IN CONCERT WITH THE COMBINED EFFORTS OF LOCAL, STATE AND NATIONAL LEADERS, WE CAN MAKE A DIFFERENCE IN THE QUALITY OF LIFE FOR OUR CITIZENS WHO LIVE AND WORK IN THE LOWER MISSISSIPPI DELTA. I ASK YOUR SUPPORT OF SENATE BILL 2246 AS A MAJOR STEP TOWARD THAT END. THANK YOU.

First National Bank
OF PHILLIPS COUNTY

WILLIAM H. BRANDON
PRESIDENT

June 23, 1988

I am William H. Brandon, President, First National Bank of Phillips County, Helena, Arkansas. Thank you for allowing me to state my views to the Joint Committee of the Small Business Committee and the Committee on Environment and Public Works.

I want to testify for S.2246, a bill to establish the Lower Mississippi Delta Development Commission. Senator Bumpers has stated that despite the herculean efforts of State and Local officials the region ranks lowest in almost every education statistic. These same efforts have been put forth by the people in this area to create economic opportunities, but with little success. Phillips County citizens organized themselves and in the 1960's created an Industrial Development Corporation; raised money; bought land; developed an industrial park with rail, roads, sewer, water and water storage tank, and built a speculative building. We created an Industrial Development Foundation in the late 60's, and raised money to pay the expenses of industrial prospects to come look at the area.

Prior local efforts had led to successful efforts in getting a bridge across the Mississippi River. Also, in this era we started a successful two year community college. In the early 1970's, we started an ongoing effort to develop a slack water harbor. Thanks to your efforts, this looks like a reality.

In 1979 we targeted certain industry groups and appealed to them directly using affirmative action as an incentive. On January 10, 1980, we tried a new approach. We organized Arkansas Delta Development, Inc., and used

a bi-racial approach to do a synopsis of competitive position, assess strengths and weaknesses, define opportunities and deterrents, formulate goals, and implement a plan.

The cities of Helena and West Helena, and the Phillips County Quorum Court committed $10,000.00 a year each into the creation of this new economic/industrial development program.

A function was organized with the idea of asking for $1,000.00 memberships so we could ascertain the levels of commitment prevalent in the retail/wholesale business, existing industries, professional people and individuals throughout the Phillips County area.

At that meeting we talked about the type of organization we were to create, the importance of the types of efforts represented, how it was to be funded, and the efforts that were to be expended. The decision was to commit ourselves to a minimum of $100,000.00 per year, for a minimum of three years. This meeting was a success and the $100,000.00 was raised that night.

We were determined to educate the populous within our region and the entire State of Arkansas as to the amenities we offer and the caliber of men and women we have in Phillips County. As a result, there have been more positive comments stated and published about Phillips County the past few years then in its entire history. Additionally, dozens of cities and counties have organized efforts patterned after A.D.D.

Despite all this effort the number of people receiving aid to families with Dependent Children increased in Lee from 2,152 in 1983 to 2,334 in 1987. In Phillips County the number increased from 5,484 in 1983 to 6,325 in 1987. The amount of welfare in Phillips and Lee Counties in 1987 was over $28,000,000.00. Employment is still in the 16% to 20% range, people are still underemployed, and new jobs just are not available.

This proves that a program to look at the big picture is a must. Local effort alone will just not do the job. We are willing to work and to sacrifice, but we must have a program to coordinate the entire area, and to bring to bear forces more powerful than we can generate locally. We believe that the answers start with S.2246.

Thank you for allowing me to comment.

W. H. Brandon
President

First National Bank
OF PHILLIPS COUNTY

WILLIAM H. BRANDON
PRESIDENT

May 11, 1979

Mr. W. B. Frogue
Vice President
General Electric Corporation
Suite 2450
One Main Place
Dallas, Texas 75250

Dear Bill:

I appreciate your time and interest in our attempt to locate an industry in our area. From our conversation, it appears that we and General Electric both are interested and dedicated to similar goals: interest in Affirmative Action plans and a desire to be a part of a social project that is not only successful but also highly visable. This parallels our goal that involves human resources and economic development.

The real thrust of our efforts is to show that unity between blacks and whites can turn a blighted area into the flagship of the state and further to show that what is thought to be an unproductive labor force can actually be a stand out group of workers. We have the right attitudes to attract industry. Whites, blacks, towns, counties, and financial institutions are all working toward one goal. We are uniquely ready to accept industry, and are probably the only area in the country with a balanced racial mix that can demonstrate this by our actions.

For instance, at a recent meeting held in Washington, D. C., there were present the two United States Senators from Arkansas, our Congressman and a representative from President Carter's staff, and an equally racial balanced group from Phillips and Lee Counties in Arkansas to discuss our unemployment situation. We were showing our joint concern, as black unemployment here ranges from 16%-20%. Two-thirds of our black families have incomes of less than $3,000.00 annually. Simply stated, we need help and have a racially balanced and coordinated effort to help ourselves.

BOX 160, HELENA, ARKANSAS 72342 / (501) 338-6754
(FORMERLY PHILLIPS NATIONAL BANK)

Our approach to the problem is this. We are working with Governor Clinton to establish plans for Technical Training geared to specific industries when they are recruited, which will be handled through our Junior College. In addition we are working with Local Services, CETA, Employment Security, Rockefeller Foundation, and the Urban League on other training, including a new but vital concept of attitude training and evaluation. We know that all people do not want off welfare, and that not everybody wants to work. We plan to tie the Technical Training to the new approach that concerns attitude. Current planning gives dual control over this phase to qualified blacks that are accepted by their peer group and the training agency.

As the above falls into place we intend to use an integrated team to call on specific industries. Leads will come from contacts made by Senators Bumpers, and Pryor, Congressman Alexander, Governor Clinton, Bishop Allen, and others such as yourself.

Bill, our concern is human dignity, human resource development, and economic development. We have a plan, we have the committment of our local people, our state officials, our congressional delegation, and can be a pilot program that may be successful all over the country. Certainly we need your help.

General Electric's involvement here will allow us to reach our goal. More importantly, General Electric, will create an active highly visable Affirmative Action program, utilizing some of our assets, such as:

* An abundant labor supply.
* A technically trained labor supply.
* A highly motivated labor supply.
* A geographically well located situation.

Again, I appreciate your efforts. We will let you know when we are ready for our Schenectady, New York appointment with Mr. Ed Weaver.

Sincerely,

William H. Brandon
President

WHB/glh

STATEMENT BEFORE
SENATE ENVIRONMENT AND PUBLIC WORKS COMMITTEE
QUENTIN N. BURDICK (N.D.), CHAIRMAN
SENATE COMMITTEE ON SMALL BUSINESS
DALE BUMPERS (ARK), CHAIRMAN
SENATE DIRKSEN OFFICE BUILDING, ROOM 410
TUESDAY, JUNE 28TH, 1988
10 A.M.

The Mississippi River is symbolic of both Southern and American cultures. Named by Native Americans "Father of Waters," the Mississippi has shaped the lives of countless generations. Mark Twain chose the river as the setting for the great American novel, Huckleberry Finn. Painters, photographers, singers, and filmmakers have also celebrated the river.

For centuries its waters and the varied worlds they flow through have drawn explorers who seek to discover or rediscover America. Hernando Desoto was the first of many Europeans to stand in awe of its waters. Margaret Walker linked the river in her poetry with black people who followed it from the rural South to the urban North in search of economic opportunities.

The Mississippi created America's richest agricultural heartland, an area that coexists with an equally rich cultural heartland. The same black earth that produced millions of bales of cotton also produced blues, gospel, jazz, rock and roll, and country music traditions that today are internationally recognized and appreciated. Ironically, while these musics are carefully studied in London, Paris, and Tokyo, little has been done to preserve them in their homeland.

Similarly, many of our nation's greatest writers have lived near the Mississippi River and treat it in their work. Richard Wright and William Faulkner both viewed its worlds as central to their experience.

For too long these rich cultural traditions along the Mississippi River have been ignored. This neglect deprives both tourists from around the world, who are drawn to the river, and those who live along her shores. While extensive work has been done to prevent erosion and flooding, there has been no equivalent effort to preserve the River's cultural traditions.

Today Americans are increasingly sensitive to deep ties which bind people to the places in which they live. Eudora Welty suggests that this "sense of place" is a key to the extraordinary body of fiction, drama, and poetry which Southern writers have given the world. Musicians, storytellers, and folk artists have a similar attachment to "place" in these same worlds. The Mississippi River is truly both a geographic and a spiritual center.

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These rich cultural traditions of literature, music, and art have blossomed in a region with severe economic problems. As the predominately agricultural area seeks creative solutions to reviving its economy, cultural resources offer unique opportunities.

Arkansas is now developing a Delta Cultural Center in downtown Helena which will showcase traditions of the Arkansas and Mississippi Delta. Through exhibits, films, and concerts the Center will provide educational resources for schools, museums, and other groups in the region and will develop activities designed to stimulate the economy of towns along the river from Memphis to New Orleans.

The Delta Cultural Center's programs will showcase the music, literature, and artistic traditions of white and black worlds in the region. It will also explore the migration of ethnic groups to the area. Through oral history and film, the Center will explore the rich ethnic mix of Chinese, Jews, Italians, Greeks, German, Lebanese and Swiss in the Helena and the Arkansas-Mississippi Delta worlds. Their history is an exciting and largely unknown epic. Similarly, the internationally recognized legacy of blues, gospel, country, and rock and roll musics in the area will be featured in concerts, on records, and in films.

Arkansas earlier established a similar project, the Ozark Folk Center, in the town of Mountain View. The Center focuses on Ozark culture and is located in rural Stone County. Once the second poorest county in Arkansas, today Stone County and Mountain View boast a multi-million dollar annual tourist industry which the Ozark Folk Center has attracted. The Delta Cultural Center in Helena should have a similar economic impact on its region.

While Arkansas and other states along the Mississippi clearly favor the development of cultural resources such as Helena's Delta Cultural Center, federal support is essential to both coordinate and expand these efforts. The enactment of the "Lower Mississippi Delta Development Act---Senate 2246" will be seen as a landmark in our nation's growing effort to preserve its cultural heritage. Through this legislative support the Mississippi River and the rich cultural worlds she has inspired can be showcased for both our nation and the world.

William Ferris, Director
Center for the Study of Southern Culture
University of Mississippi
University, Mississippi 38677

RECREATION AND TOURISM AS AN ECONOMIC DEVELOPMENT STRATEGY FOR THE LOWER MISSISSIPPI DELTA REGION.

A Preliminary Report

Prepared at the request of:

Mr. George Siehl
Congressional Research Service
Washington, DC

Prepared by:

The Outdoor Recreation and Wilderness Assessment Group
USDA Forest Service
Southeastern Forest Experiment Station
Athens, Georgia

H. Ken Cordell, Group Leader
Donald B.K. English, Policy Analyst

June 24, 1988

Introduction

Recreation and tourism are increasingly being looked to as strategies for bolstering sagging economies and helping to alleviate rural poverty. The natural resources of most rural areas, such as the Mississippi Delta Region, provide the necessary base for increasing recreation and for attracting tourism. Previous studies have demonstrated that recreational uses of this rural natural resource base is an economically and environmentally sound strategy. Over the past several years a project has been underway to improve the data and analysis capabilities for studying the demand, supply and economic potentials of outdoor recreation and tourism. This preliminary report demonstrates some of this capability as applied to the Lower Mississippi Delta Region.

The Recreation and Tourism Opportunity

The Lower Mississippi Delta Region is better supplied with certain types of outdoor recreation opportunity than is most of the rest of the country. As shown in Figure 1, this region has about half of the national average of wilderness lands per person, but at least twice the national average of rural recreation areas and two and one half times the developed recreation resources per capita. The difference between this region and the rest of the country is even greater with respect to water recreation opportunities per person (Figure 2). The Region has more than 4 times the national average of river recreation opportunities per person, more than 3 time the national average for lake recreation opportunities and over twice the national average for developed water opportunities per person.

Maps 1 through 7 show the distribution of selected outdoor recreation resources for the counties in the Delta Region. Map 1 shows the acres of Federal lands available for recreation including the Forest Service, Fish and Wildlife Service, and National Park Service. Map 2 shows locations of state park, state forest and state fish and game lands. Number of Federal swimming areas are shown in Map 3, and estimates of private rural land open to the public for recreation in Map 4. Map 5 shows the total campsite capacity for trailers and RV's for each county in the Region, at both public and private campgrounds. Map 6 shows county totals for river miles designated or under study for inclusion in the National Wild and Scenic River system, and rivers designated as significant by state governments. Map 7 displays the acres of forest land owned by timber and paper companies.

The above referenced maps indicate a diversity of resources and therefore of recreational opportunities. Given that the per capita amounts of the recreational opportunities in the Delta Region are larger as compared to the rest of the U.S., the region's recreation opportunities seem to offer substantial economic development potential.

The Potential Market

There are 25 major cities with populations of at least 75,000 persons within a one-day drive (about 400 miles) of some portion of the Region. These cities, and their location relative to the Delta Region, are depicted in Map 8. These

places contain the population that is most likely to be drawn to the rural recreation and tourism opportunities provided by the Region.

Within a day's drive of any of the counties in the Region, there exists an additional potential market of millions of people. For example, Map 9 shows the area that lies within about 400 driving miles of the center of Lee County, Arkansas. Within 100 miles of this county, there are about 1.6 million people. Another 2.5 million live at a distance of 100 to 200 miles, 4.3 million between 200 and 300 miles, and 10.8 million between 300 and 400 miles. In total, about 19.2 million people comprise the potential visitor market for the recreation opportunities in Lee County.

Persons living in the Delta Region tend to seek the types of outdoor recreation that are most locally available. Table 1 shows that 5 of the 10 most popular activities, including picnicking, developed camping and attending special events, occur in a setting where the Region has more than twice the national average of supply per capita (developed land resources, see Figure 1). Four of the top 15 activities are water-based activities, a potential for using the resources most abundant in the Region.

The tourism potential of the Region is perhaps best demonstrated by examining the recreation preferences of persons living within a day's drive of the Region (Table 2). Of the top 10 most popular activities among people adjacent to the Delta Region, four are destination oriented, offering strong tourism potential. These activities include trips for camping; to attend fairs, festivals and other special events; and to visit museums and historic sites. Sightseeing and fishing are also strong tourism attractions.

Structure of the Economy

A computerized description of the structure of the economy of the Lower Mississippi Delta Region was generated to assess the relative strengths of industries and economic interests associated with recreation and tourism. The Delta Region occupies 115,000 square miles, contains almost 8 million people, employs almost 3 million people, produces goods and services worth almost $200 billion, provides an annual payroll of about $50 billion at an average of $16700 per employee. In the region, air transportation and lodging produce about $1 billion of output annually, employing a combined total of about 50,000. Firearms, alcohol, recreation sales and services and transportation services produce $1.2 billion and employ 17,000 people. Eating and drinking business produce $3.7 billion and employ 129,000. In some recreation-related sectors almost no economic activity occurs -- e.g., manufacture of motor homes. All of these recreation and tourism related industries, from transportation to eating and drinking businesses represent about $5 billion of annual regional output, below the national average. But the structure of manufacturing, construction, financial and agricultural sectors upon which the recreation sectors depend are in place. It would appear that a stimulated recreation and tourism market would have high economic impacts in the region.

Table 1.-- Twenty most popular outdoor recreation activities for persons living in the Lower Mississippi Delta Region.

Activity	Percent participating	Annual trips per capita
1. Sightseeing	46.7	11.2
2. Warmwater fishing	46.5	12.6
3. Picnicking	42.7	5.1
4. Developed camping	42.3	2.5
5. Pleasure driving	39.3	10.8
6. Family gatherings	37.1	3.4
7. Visit musuems	35.6	2.6
8. Visit historic sites	31.6	3.0
9. Attend special events	29.3	2.5
10. Motorboating	27.7	5.3
11. Walking for pleasure	26.9	8.0
12. Other outdoor swimming	25.9	4.6
13. Outdoor pool swimming	21.0	7.8
14. Wildlife observation	18.2	2.9
15. Small game hunting	17.1	2.9
16. Visit prehistoric sites	16.1	0.7
17. Collect firewood	15.9	1.7
18. Big game hunting	15.6	1.9
19. Day hiking	15.0	1.5
20. Photography	14.1	3.6

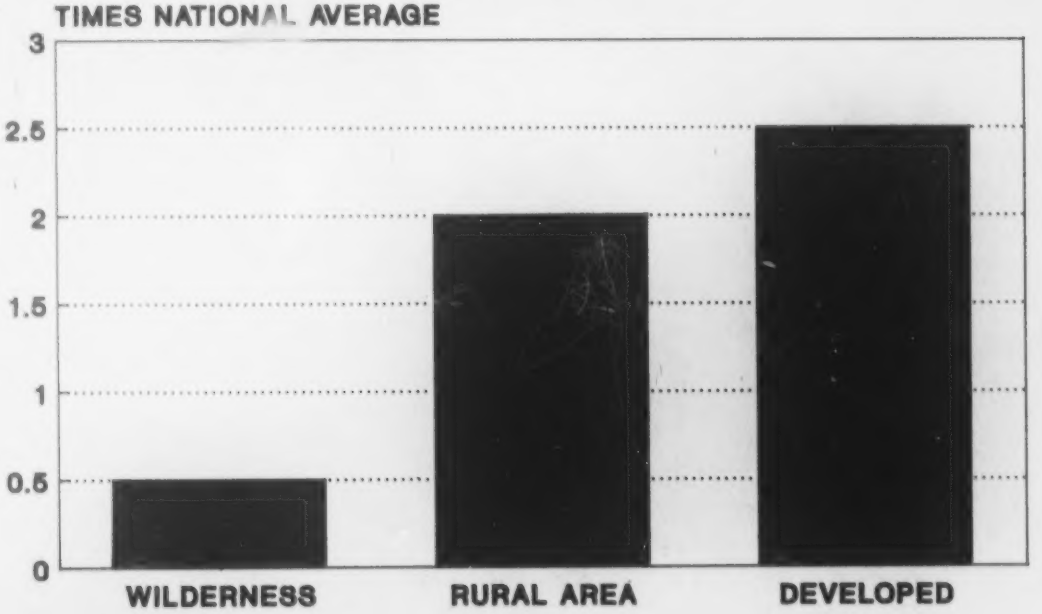
Source: Public Area Recreation Visitor Study, 1985-87.

Table 2.-- Twenty most popular outdoor recreation activities for persons living within 400 miles of the Lower Mississippi Delta Region.

Activity	Percent Participating	Annual trips per capita
1. Developed camping	47.3	2.6
2. Picnicking	45.8	4.4
3. Sightseeing	44.3	5.9
4. Warmwater fishing	37.2	4.3
5. Family gatherings	37.1	2.3
6. Pleasure driving	35.8	7.1
7. Other outdoor swimming	31.9	4.2
8. Attend special events	30.2	1.7
9. Visit museums	29.9	1.4
10. Visit historic sites	29.6	1.7
11. Walking for pleasure	29.0	7.3
12. Motorboating	25.9	3.4
13. Outdoor pool swimming	22.3	5.5
14. Wildlife observation	19.5	1.9
15. Day hiking	17.2	1.9
16. Collect firewood	16.5	1.0
17. Photography	15.2	2.0
18. Collect berries	14.9	0.8
19. Primitive camping	14.8	0.6
20. Small game hunting	13.8	1.0

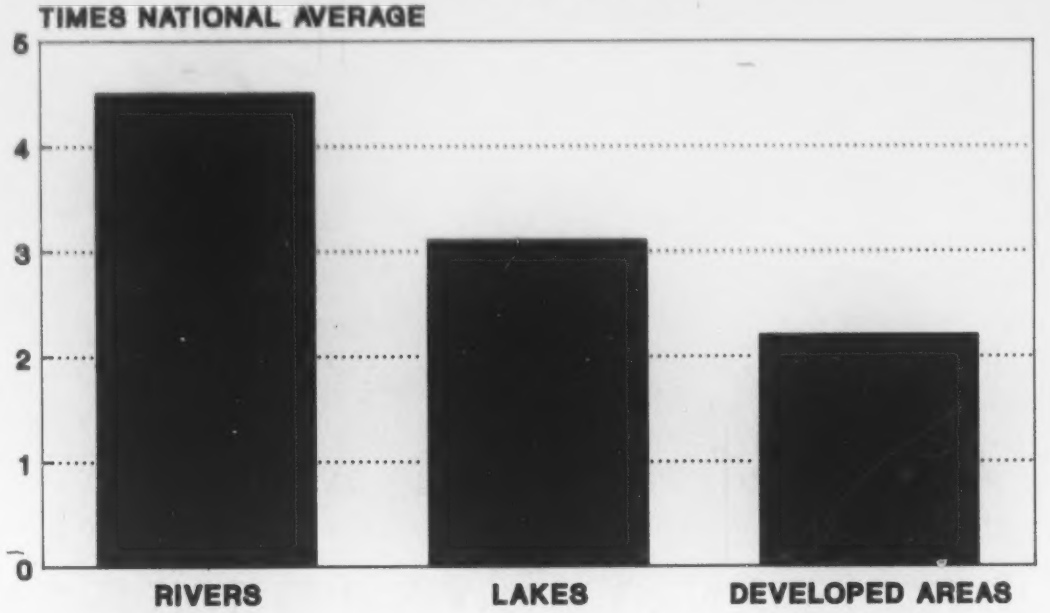
Source: Public Area Recreation Visitor Study, 1985-87.

Figure 1--Per capita outdoor recreation supply for Lower Miss. Delta residents, compared to national average, for land resources



Source: Outdoor Recreation and Wilderness Assessment Group USDA-FS, Athens, GA

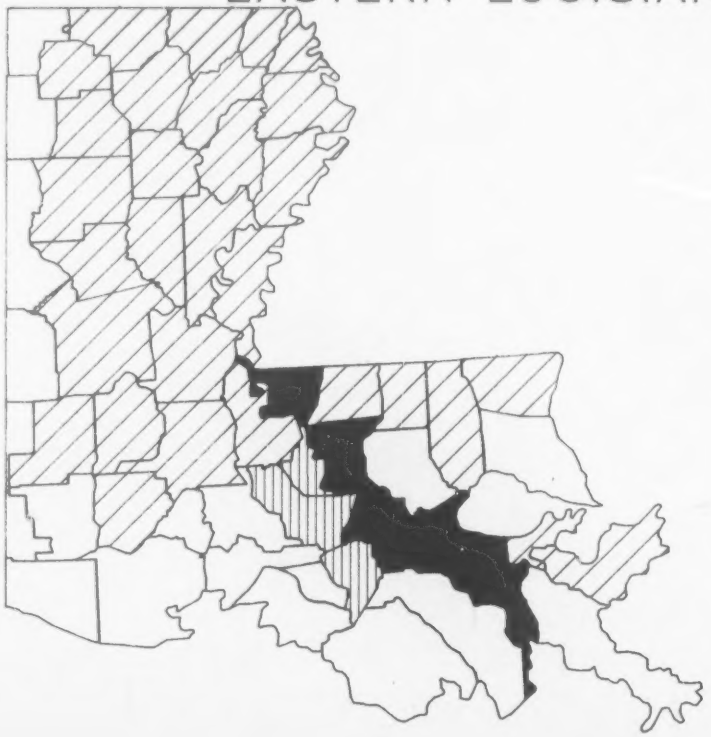
Figure 2--Per capita outdoor recreation supply for Lower Miss. Delta residents, compared to national average, for water resources



Source: Outdoor Recreation and Wilderness Assessment Group USDA-FS, Athens, GA

MISSISSIPPI RIVER DELTA

EASTERN LOUISIANA COUNTIES

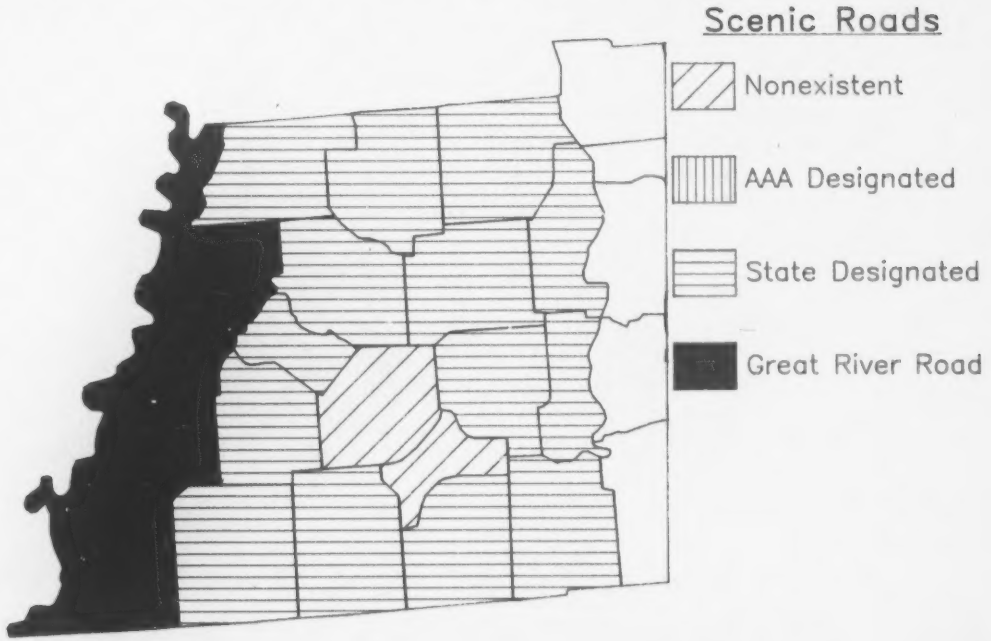


Scenic Roads

- Nonexistent
- AAA Designated
- State Designated
- Great River Road

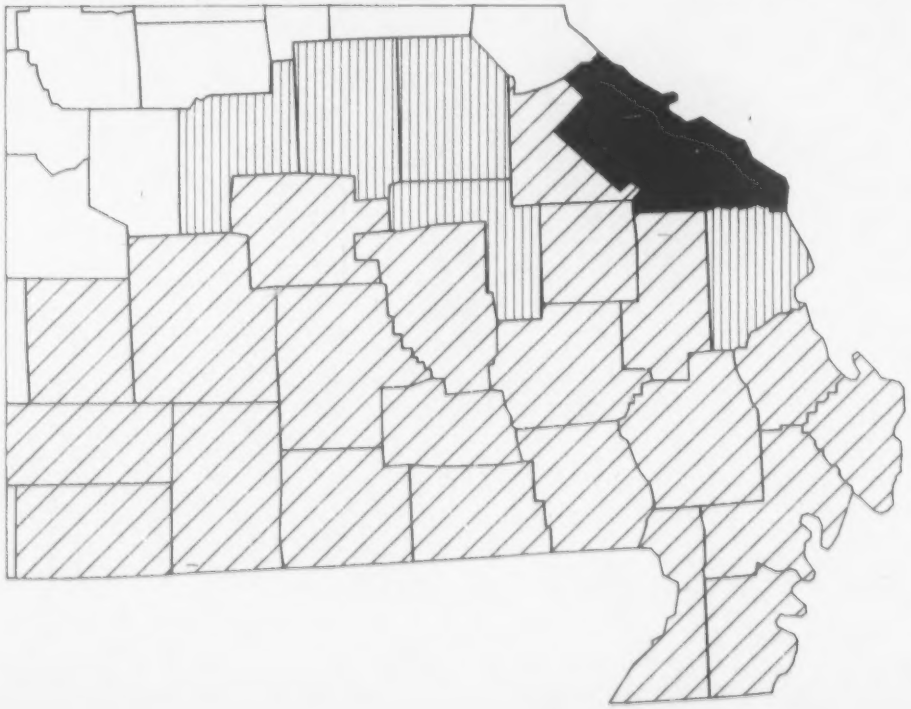
MISSISSIPPI RIVER DELTA

WESTERN TENNESSEE COUNTIES



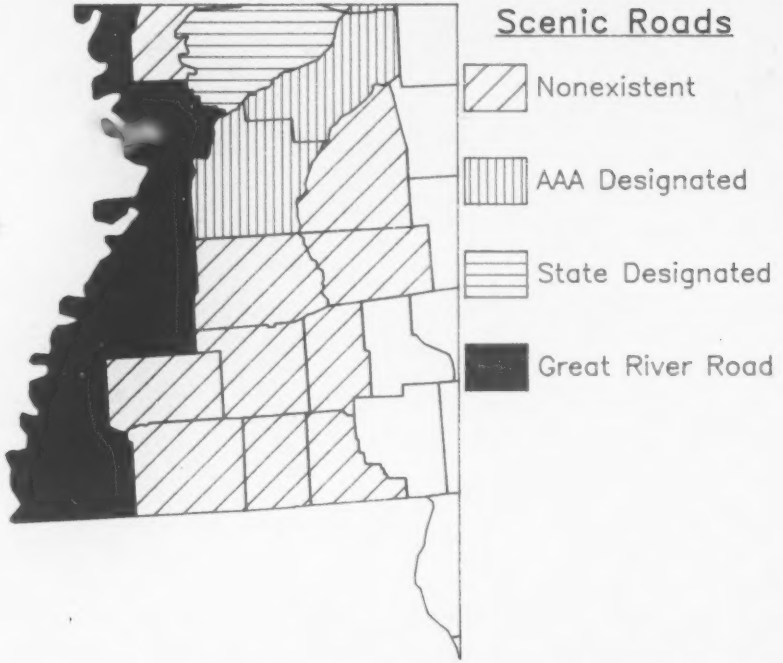
MISSISSIPPI RIVER DELTA

SOUTHEAST MISSOURI COUNTIES



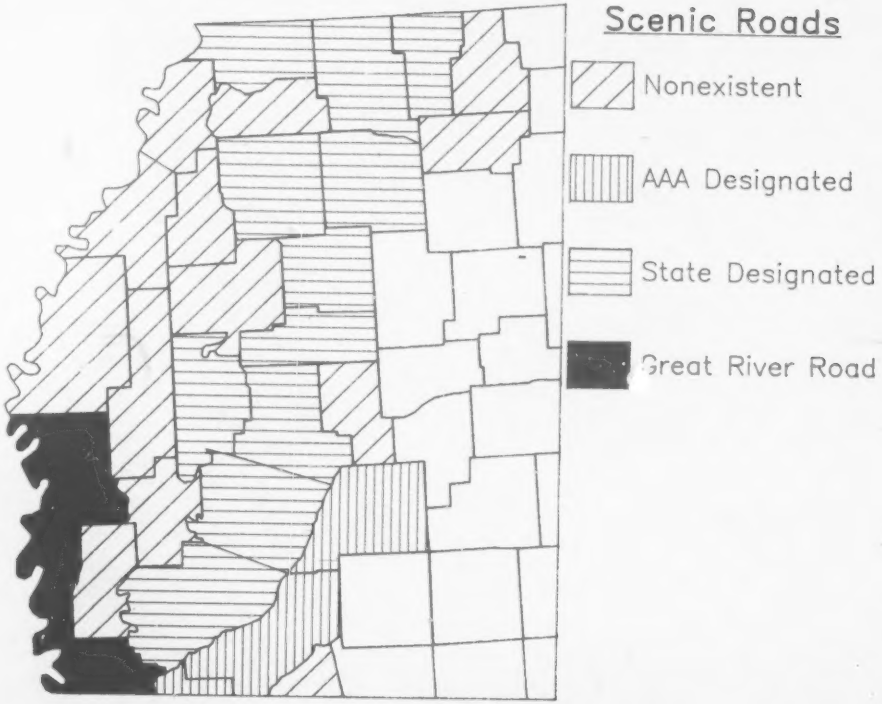
MISSISSIPPI RIVER DELTA

LOWER MISSISSIPPI COUNTIES



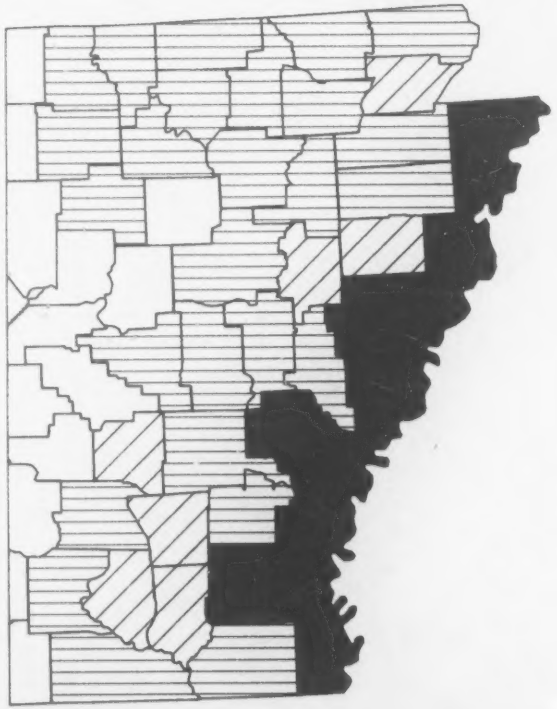
MISSISSIPPI RIVER DELTA

UPPER MISSISSIPPI COUNTIES



MISSISSIPPI RIVER DELTA

EASTERN ARKANSAS COUNTIES

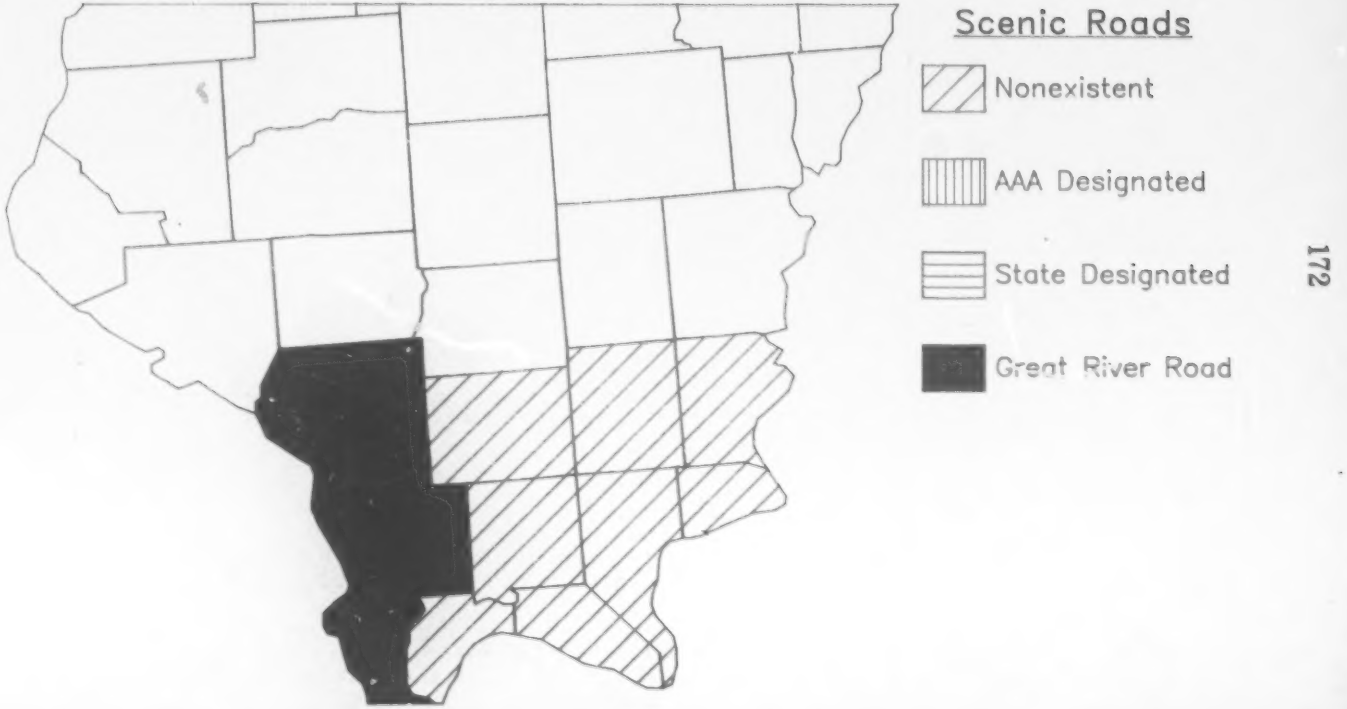


Scenic Roads

- Nonexistent
- AAA Designated
- State Designated
- Great River Road

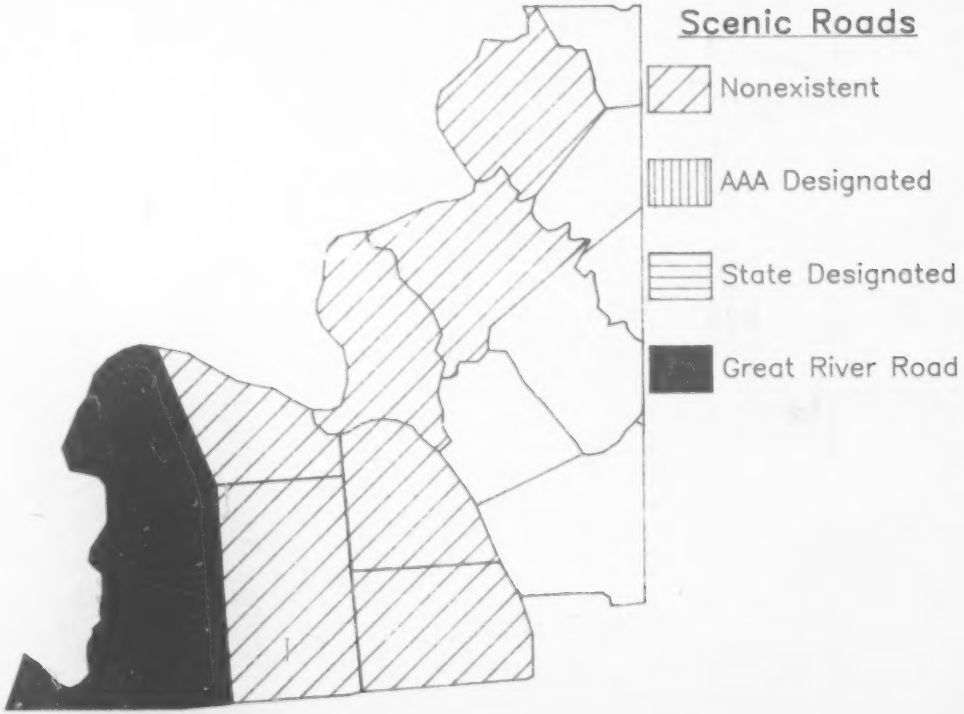
MISSISSIPPI RIVER DELTA

SOUTHERN ILLINOIS COUNTIES



MISSISSIPPI RIVER DELTA

WESTERN KENTUCKY COUNTIES



100TH CONGRESS
2D SESSION

S. 2246

To establish the Lower Mississippi Delta Development Commission.

IN THE SENATE OF THE UNITED STATES

MARCH 31, 1988

Mr. BUMPERS (for himself, Mr. PRYOR, Mr. COCHRAN, Mr. SASSER, Mr. SIMON, Mr. STENNIS, Mr. BREAUX, Mr. DIXON, Mr. FORD, Mr. GORE, Mr. BOND, Mr. DANFORTH, and Mr. JOHNSTON) introduced the following bill; which was read twice and referred to the Committee on Environment and Public Works

---

A BILL

To establish the Lower Mississippi Delta Development Commission.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Lower Mississippi Delta Development Act".

FINDINGS

SEC. 2. The Congress finds that—

(1) the lower Mississippi River Valley region lags behind the rest of the country in economic growth and prosperity;

(2) this region suffers from a greater amount of measurable poverty and unemployment than any other region of the country;

(3) a concerted Federal, State, and local effort is needed if this region is to share in the general prosperity of the Nation;

(4) the creation of jobs and expansion of small business offer the greatest hope for economic growth and revitalization in the region;

(5) the availability of capital, infrastructure development, educational opportunities, health care, housing, recreational activities, and resource development is essential to successful small business development and for attracting complementary industrial expansion;

(6) the transportation needs through highway and bridge construction, air service availability, and river transport development must be addressed; and

(7) because of the social, historical, and cultural ties of this region through its proximity to the Mississippi River, as well as common economic problems, planning for this unique region is desirable and urgently needed.

PURPOSE

SEC. 3. The purpose of this Act is to establish a Commission to study and make recommendations regarding the

economic needs and economic development of the Lower Mississippi Delta.

DEFINITIONS

SEC. 4. For purposes of this Act—

(1) the term "Commission" means the Lower Mississippi Delta Development Commission; and

(2) the term "Lower Mississippi" means those areas within a reasonable proximity of the Mississippi River in Arkansas, southern Illinois, western Kentucky, Louisiana, Mississippi, southeastern Missouri, and western Tennessee that share common economic, social, and cultural ties, and that suffer from any combination of high unemployment; low net family income; agriculture and oil industry decline; a decrease in small business activity; or poor or inadequate transportation infrastructure, health care, housing, or educational opportunities, areas including, but not limited to—

(A) the Arkansas counties of Ashley, Chicot, Drew, Bradley, Union, Desha, Lincoln, Arkansas, Cleveland, Jefferson, Lonoke, Prairie, Monroe, Lee, Phillips, St. Francis, Crittenden, White, Woodruff, Cross, Poinsett, Jackson, Mississippi, Craighead, Calhoun, Lawrence, Greene, Clay, Randolph, White, Independence, Sharp, Ouachita, Dallas, Grant, Fulton, Izard, Stone, Searcy, Marion, Van Buren, and Baxter;

(B) the southern Illinois counties of Alexander, Pulaski, Massac, Union, Johnson, Pope, Hardin, Gallatin, Saline, Williamson, and Jackson;

(C) the western Kentucky counties of Fulton, Hickman, Carlisle, Ballard, Graves, McCracken, Calloway, Marshall, Livingston, Crittenden, and Union;

(D) the Louisiana parishes of East Carroll, West Carroll, Morehouse, Union, Lincoln, Ouachita, Jackson, Caldwell, Winn, Grant, LaSalle, Richland, Madison, Franklin, Tensas, Catahoula, Concordia, Avoyelles, Pointe Coupee, St. Landry, West Feliciana, East Feliciana, St. Helena, Tangipahoa, Iberville, Assumption, Washington, Allen, Evangeline, Acadia, Ascension, St. James, and St. John the Baptist;

(E) the Mississippi counties of DeSoto, Tunica, Tate, Marshall, Benton, Tippah, Union, Coahoma, Quitman, Panola, Bolivar, Sunflower, Tallahatchie, Lafayette, Yalobusha, Washington, Humphreys, Holmes, Grenada, Carroll, Leflore, Montgomery, Issaquena, Sharkey, Yazoo, Warren, Attala, Madison, Claiborne, Copiah, Jefferson, Adams, Lincoln, Pike, Amite, Wilkinson,

Franklin, Rankin, Simpson, Lawrence, and Walthall;

(F) the southeastern Missouri counties of Dunklin, Pemiscot, New Madrid, Mississippi, Scott, Studard, Butler, Ripley, Carter, Wayne, Bollinger, Cape Girardeau, Oregon, Shannon, Reynolds, Iron, Madison, Perry, St. Genevieve, St. Francis, Washington, Crawford, Dent, Texas, Howell, Ozark, Douglas, Wright, and Phelps; and

(G) the western Tennessee counties of Tipton, Lauderdale, Dyer, Obion, Fayette, Crockett, Haywood, Hardeman, McNairy, Hardin, Chester, Gibson, Weakley, Henry, Carroll, Madison, Decatur, Benton, Lake, and Henderson.

(H) and such other adjoining counties as the Commission may determine are necessary for inclusion in order to carry out the purposes of this Act, including the counties of Pulaski in Arkansas, Shelby in Tennessee, and Hinds in Mississippi, and the parishes of Rapides, East Baton Rouge, West Baton Rouge, St. Charles, Jefferson, Orleans, and St. Bernard in Louisiana.

ESTABLISHMENT

SEC. 5. (a) There is established the Lower Mississippi Delta Development Commission.

(b) The Commission shall be composed of nine members, as follows:

(1) One member shall be appointed by each of the governors of Arkansas, Illinois, Kentucky, Louisiana, Mississippi, Missouri, and Tennessee.

(2) The Administrator of the Small Business Administration.

(3) One member shall be appointed by the President.

(c) Members of the Commission shall be appointed for the life of the Commission.

(d) Five members of the Commission shall constitute a quorum, but a lesser number may conduct meetings.

(e) The Administrator of the Small Business Administration shall be the interim chairman for the first meeting of the Commission, at which time the members of the Commission shall appoint a chairman from among the members appointed by the Governors of the several States.

(f) All appointments made pursuant to this Act shall be made within thirty days after the date of enactment of this Act.

(g) The first meeting of the Commission shall be called by the Administrator of the Small Business Administration and shall be held within sixty days after the date of enact-

ment of this Act. The Commission shall conduct such additional meetings as it deems appropriate.

(h) A vacancy on the Commission resulting from the death or resignation of a member shall not affect its powers and shall be filled in the same manner in which the original appointment was made.

(i) The Commission shall conduct at least one public hearing in each State listed in subsection (b)(1) of this section.

DUTIES OF THE COMMISSION

SEC. 6. The Commission shall—

(1) investigate and study the economic needs of the Lower Mississippi region for the ten-year period beginning after the date of enactment of this Act; recommend plans, projects, and programs which will alleviate economic needs and problems identified;

(2) sponsor and conduct investigations, research, studies, and field hearings;

(3) study and evaluate Federal, State, and local business development and financing programs and planning in the region, including the economic development programs, minority small business and capital ownership development programs, procurement assistance programs, and management assistance programs of the Small Business Administration; develop an inventory of business resources in the region and compare the avail-

ability of such resources with those available in other regions of the Nation;

(4) review and study existing or proposed Federal, State, and local public and private programs and projects, and where appropriate, make recommendations to the Congress and the States on modifications or additions to these programs and projects to help the promotion of regional development;

(5) make recommendations to the Congress, and State and local governments, on policies or programs that will better attract private investment in industrial, commercial, and recreational projects;

(6) make recommendations to the Congress, and State and local governments, on tax policies which might be used to further economic growth and business opportunities in the region;

(7) make recommendations to the Congress, and State and local governments, on the suggested creation of interstate compacts and other forms of interstate or interregional cooperation to help further the purposes of this Act;

(8) study and report on the role of small businesses in creating jobs in the region, and compare the numbers and types of jobs arising in small businesses

with those arising in large businesses in the last ten years in the region;

(9) evaluate the distribution and impact of Federal spending in the region, including grant-in-aid programs, research, and Federal procurement, and compare the level of spending in these categories in the region with spending in other regions of the country; evaluate the extent to which reliance on Federal, State, and local government outlays for poverty programs can be reduced by outlays targeted for economic development;

(10) develop an inventory of water, mineral, energy, timber, agriculture, and other natural resources in the region;

(11) assess the availability and cost of electrical power in the region and the impact of these factors on business growth; compare the availability and cost of electrical power in the region with other regions of the Nation;

(12) study the feasibility of and make recommendations on establishing a system of joint Federal and State-funded limited-access highways interconnecting the region, and connecting the region to other major transportation routes;

(13) study and report on the feasibility of targeting Federal loan and guaranty programs toward the region;

(14) provide a forum for consideration of problems of the region and proposed solutions, and establish and utilize, as appropriate, citizens, special advisory councils, and public hearings and conferences;

(15) seek and encourage the participation of interested citizens, public officials, groups, agencies, and others in developing a ten-year comprehensive plan;

(16) make the Commission accessible to such groups, agencies, and individuals by holding at least one well publicized public hearing in every State throughout the region; and

(17) study and report on such other issues affecting the region which the Commission believes are relevant to future economic development.

COMPENSATION OF THE COMMISSION AND COMMITTEE

SEC. 7. Each member of the Commission appointed by a Governor of the several States shall be compensated by the State he or she represents at the rate established by the law of such State. The compensation of the member appointed by the President, who is not otherwise employed by the United States Government, shall receive compensation at a rate equal to the highest daily rate prescribed for GS–13 under the General Schedule contained in section 5332 of title 5,

United States Code, including traveltime, for each day he or she is engaged in the actual performance of his or her duties as a member of the Commission. A member of the Commission who is an officer or employee of the United States Government shall serve without additional compensation. All members of the Commission shall be reimbursed by the United States Government for travel, subsistence, and other necessary expenses incurred by them in the performance of their duties.

POWERS AND ADMINISTRATIVE PROVISIONS

SEC. 8. (a) The Commission is authorized to obtain the services of experts and consultants in accordance with the provisions of section 3109 of title 5, United States Code.

(b) The Commission is authorized to enter into agreements with the General Services Administration for procurement of necessary financial and administrative services, for which payment shall be made by reimbursement from funds of the Commission in such amounts as may be agreed upon by the Chairman and the Administrator of General Services.

(c) The Commission is authorized to procure supplies, services, and property, and make contracts in any fiscal year, only to such extent or in such amounts as are provided in appropriation Acts.

(d) The Commission is authorized to enter into contracts with Federal or State agencies, private firms, institutions, and agencies for the conduct of research or surveys, the prep-

aration of reports, and other activities necessary to the discharge of its duties.

(e) The Commission or, on the authorization of the Commission, a member thereof, may, for the purpose of carrying out the provisions of the Act, hold such hearings and sit and act at such times and places, and request the attendance and testimony of such witnesses and the production of books, records, memoranda, papers, and documents as the Commission or such member deems advisable.

(f) The Commission, or on the authorization of the Commission, any member thereof, may, for the purpose of carrying out the provisions of this title, have such printing and binding done, enter into contracts and other arrangements to such extent or in such amounts as are provided in appropriation Acts, and make such expenditures as the Commission or such member deems advisable.

(g) The Commission may acquire directly from any executive department, bureau, agency, board, commission, office, independent establishment, or instrumentality, information, suggestions, estimates, and statistics for the purpose of this title. Each such department, bureau, agency, board, commission, office, establishment, or instrumentality is authorized and directed to furnish, to the extent permitted by law, such information, suggestions, estimates, and statistics directly to the Commission, upon request by the Chairman.

(h) The Chairman of the Commission is authorized to appoint, terminate, and fix the compensation, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, of an Executive Director and such additional personnel as the Chairman finds necessary to enable the Commission to carry out its duties. The annual rate of compensation of the Executive Director may not exceed a rate equal to the rate provided for level V of the Executive Schedule under section 5316 of such title and the annual rate of compensation of all other personnel may not exceed a rate equal to the maximum rate for GS–13 of the General Schedule under section 5332 of such title.

(i) Upon request of the Commission, the head of any Federal agency is authorized to make any of the facilities and services of such agency available to the Commission or to detail any of the personnel of such agency to the Commission, on a reimbursable basis, to assist the Commission in carrying out its duties under this Act, unless the head of such agency determines that overriding reasons will not permit the agency to make such facilities, services, or personnel available to the Commission and so notifies the Chairman in writing.

(j) The Commission may use the United States mails in the same manner and under the same conditions as other departments and agencies of the United States.

(k) Any member of the Commission may administer oaths or affirmations to witnesses appearing before the Commission or before such member.

(l) The Commission may expend funds made available for purposes of this Act for printing and binding, notwithstanding any other provision of law.

ADDITIONAL POWERS

SEC. 9. The Office of Advocacy of the Small Business Administration is authorized and directed to provide research support to the Commission as needed, on request by the Chairman. The Chief Counsel for Advocacy of the Small Business Administration is authorized and directed to testify before the Commission with respect to policies or programs which either foster or hinder business growth.

REPORTS

SEC. 10. Not later than 1 year after the date of its first meeting, and thereafter upon the request of the Congress, the Commission shall prepare and transmit to the President pro tempore of the Senate, the Speaker of the House of Representatives, the Committees on Small Business in both the Senate and the House of Representatives, the President, and the Governors of the States specified in section 5(b)(1) a report describing the findings and activities of the Commis-

sion, together with recommendations regarding specific actions necessary to be taken on a region-wide basis in the areas of small business development, industrial development, infrastructure development through public projects (including projects relating to highways, bridges, harbors, water, and sewer), public health, education, natural resource development, capital availability, housing, power availability, recreation, and tourism to help spur redevelopment. Such recommendations shall deal with all of the issues set out in section 6.

LIFE OF THE COMMISSION

SEC. 11. The life of the Commission shall extend not later than 1 year after the date of submission of the report required by section 10, during which time members of the Commission may be called upon to submit additional reports, to respond to inquiries from Congress, State, and local governments, and to submit testimony to Congress and other legislative bodies.

AUTHORIZATION OF APPPOPRIATIONS

SEC. 12. There is authorized to be appropriated $3,000,000 to carry out this Act.

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S 2246 IS

88-678 (192)